

First Central Underwriting Limited

Solvency and Financial Condition Report

For year ended 31st December 2025

TABLE OF CONTENTS

INTRODUCTION	3
EXECUTIVE SUMMARY	4
STATEMENT OF DIRECTOR'S RESPONSIBILITIES	7
AUDIT OPINION	8
A - BUSINESS AND PERFORMANCE (UNAUDITED)	14
A.1 BUSINESS	14
A.2 UNDERWRITING PERFORMANCE	16
A.3 INVESTMENT PERFORMANCE	17
A.4 PERFORMANCE OF OTHER ACTIVITIES	17
A.5 ANY OTHER INFORMATION	17
B - SYSTEM OF GOVERNANCE (UNAUDITED)	18
B.1. GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE	18
B.2 FIT AND PROPER REQUIREMENTS	23
B.3 RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT	23
B.4 INTERNAL CONTROL SYSTEM	25
B.5 INTERNAL AUDIT FUNCTION	26
B.6 ACTUARIAL FUNCTION	27
B.7 OUTSOURCING	27
B.8 ANY OTHER INFORMATION	28
C - RISK PROFILE (UNAUDITED)	29
C.1 UNDERWRITING RISK	29
C.2 MARKET RISK	31
C.3 CREDIT RISK	32
C.4 LIQUIDITY RISK	32
C.5 OPERATIONAL RISK	32
C.6 OTHER MATERIAL RISKS	34
C.7 ANY OTHER INFORMATION	35
D - VALUATION FOR SOLVENCY PURPOSES	36
D.1 ASSETS	36
D.2 TECHNICAL PROVISIONS	38
D.3 OTHER LIABILITIES	41
D.4 ALTERNATIVE METHODS FOR VALUATION	42
D.5 ANY OTHER INFORMATION	42
E - CAPITAL MANAGEMENT	43
E.1 OWN FUNDS	43
E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT	44
E.3 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED	46
E.4 NON-COMPLIANCE WITH THE MCR AND NON-COMPLIANCE WITH THE SCR	47
E.5 ANY OTHER INFORMATION	47
GLOSSARY	48
1CU QUANTITATIVE REPORTING TEMPLATE	50

INTRODUCTION

This document is the Solvency and Financial Condition Report (**'SFCR'**) of First Central Underwriting Limited (**'1CU'**), a subsidiary of First Central Group Limited (**'FCG'**), as at 31st December 2025, and was prepared with the purpose of satisfying the Solvency II public disclosure requirements under the Financial Services (Insurance Companies) Regulations 2020.

FCG is the holding company of the First Central Group, (**the 'Group'**), an insurance and technology group registered in Guernsey, and 1CU is the Group's insurance undertaking registered in Gibraltar.

This report is structured in accordance with regulations 56A to 56E of the Financial Services (Insurance Companies) Regulations 2020, as amended by the Financial Services (Insurance Companies) (Amendment No.2) Regulations 2025, and contains a range of regulatory disclosures that support information presented in the 1CU Annual Quantitative Reporting Templates (**'AQRTs'**).

This SFCR is compliant with regulation 52 of the Financial Services (Insurance Companies) Regulations 2020.

The report is not intended to provide a comprehensive review of 1CU's business and the market in which it operates, how the business is managed, or performance of the business during the year. This information is detailed in the 2025 audited Financial Statements.

In preparing this SFCR, the Company has applied the principle of materiality in accordance with regulation 53A of the Financial Services (Insurance Supervisory Reporting) (Technical Standards) Regulations 2025. Disclosures have been determined based on whether the information could reasonably be expected to influence users' understanding of 1CU's solvency and financial condition, taking into account both quantitative and qualitative factors. As a result, the report focuses on matters considered relevant and material, with aggregation or omission applied where appropriate.

EXECUTIVE SUMMARY

The elements of the disclosure in this document relate to 1CU's business performance, governance, risk profile, solvency and capital management.

The sections of the SFCR are briefly summarised below:

Section A – Business and Performance

This section contains an overview of 1CU's business, underwriting and investment performance.

1CU is licensed by the Gibraltar Financial Services Commission ('GFSC') and its principal activity is the provision of motor and, since April 2024, home insurance services to the UK insurance market. The Company sells its products exclusively through First Central Insurance Management Limited ('FCIM').

1CU remained focused on maintaining technical discipline and underwriting performance during 2025.

The motor market softened ~10% across the year, driving a reduction in market quotes to 187m (vs. 217m 2024) and intensifying competition for new business and renewals.

1CU maintained its agile trading approach throughout 2025, making appropriate rate changes to balance maintaining volume with protecting underwriting profitability.

1CU's pro forma Combined Operating Ratio (adjusting for the reinsurance arrangements and transfer pricing related income and expenses) was 90.4% for 2025 (91.6% for 2024). 1CU's profit before tax for 2025 was £28.5m (2024: £25.5m).

1CU's investment income in 2025 (net of management fees) was £11.5m (2024: £9.4m). The year-on-year increase in investment and interest income was driven primarily by higher average cash balances and investment returns, in particular the EUR funds reported back in GBP, over 2025, compared with 2024.

Section B – System of Governance

This section describes the roles, functions and responsibilities of the Board and its committees, and the internal control and policy framework. The Own Risk and Solvency Assessment ('**ORSA**') process is explained in detail, as well as how the Internal Control System, Internal Audit function, Actuarial function and outsourcing are implemented.

Section C – Risk Profile

The 1CU Board is responsible for setting 1CU's risk appetite, has aligned itself to the Group risk management framework and has delegated the oversight of the 1CU risk environment to the 1CU Risk Committee ('**1CU RisCo**').

1CU's risk profiles identified that the principal risks to the company include:

- Underwriting risk, inadequate premium and inappropriate reserving.
- An increase in excess of loss reinsurance premium and reinsurance default risk.
- Market risk in relation to investments.
- Credit and liquidity risk.
- Operational risk including outsourcing and information security.

These risks are captured and appropriately controlled, monitored and reported on within the business under a 'Three Lines of Defence' approach.

The 1CU Board (the '**Board**') is satisfied that the business is adequately prepared for, and robust enough to weather, any plausible stress scenarios without material detriment to stakeholders.

Section D – Valuation for Solvency Purposes

This section provides information on the valuation of 1CU's Assets, Liabilities and Equity on their Solvency II balance sheets including detail of the valuation methodologies applied and any adjustments made to convert from a GAAP to Solvency II basis.

Section E – Capital Management

1CU has continuously complied with the Solvency Capital Requirement ('**SCR**') and Minimum Capital Requirement ('**MCR**') throughout the year.

As at the 31st December 2025, 1CU held own funds of £230m compared to the SCR of £123m, resulting in a SCR coverage of 186.9%, pre proposed dividend (2024: own funds £209m, SCR £128m, and SCR coverage 163.3%).

On the 9th of April 2026, 1CU board approved a dividend of £30m to its parent company FCG, with anticipated payment made in Q2 2026, subject to regulatory approval.

Once the dividend of £30m approved by 1CU Board on 9th April 2026 is allowed for, 1CU own funds reduce to £200m, resulting in an SCR coverage of 162.5%.

The 1CU AQRT extracts are provided in Appendices to this SFCR.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The 1CU Board of Directors is responsible for ensuring that the SFCR is properly prepared in all material aspects in accordance with Regulation 37(6) and Regulation 56 of the Financial Services (Insurance Companies) Regulations 2020, and the expectations set out in the GFSC Guidance Note on External audit, and responsibilities of the administrative, management or supervisory body in relation to, the public disclosure requirement.

The 1CU Board of Directors confirm that, to the best of their knowledge:

- Throughout the financial year ended 31 December 2025, 1CU has complied in all material respects with all relevant legal requirements; and
- It is reasonable to believe that, at the date of the publication of the SFCR, 1CU has continued so to comply, and will continue so to comply in future.

On behalf of the Board of Directors of First Central Underwriting Limited,



Alberto Chumillas

Managing Director
First Central Underwriting Limited

Date: 21 May 2026

AUDIT OPINION

REPORT OF THE EXTERNAL INDEPENDENT AUDITOR TO THE DIRECTORS OF FIRST CENTRAL UNDERWRITING LIMITED ("THE COMPANY") PURSUANT TO REGULATION 56G(1) OF THE FINANCIAL SERVICES (INSURANCE COMPANIES) REGULATIONS 2020 (THE 'INSURANCE COMPANIES REGULATIONS')

Report on the Audit of the relevant elements of the Solvency and Financial Condition Report ("SFCR")

Opinion

Except as stated below, we have audited the following documents prepared by the Company as at 31 December 2025:

- The 'Valuation for solvency purposes' and 'Capital Management' sections of the SFCR of the Company as at 31 December 2025, ('the Narrative Disclosures subject to audit'); and
- Company templates IR.02.01.02, IR.12.01.02, IR.17.01.02, IR.23.01.01, IR.25.04.21, IR.28.01.01, ('the Templates subject to audit').

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the 'relevant elements of the SFCR'.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on:

- The Other Information which comprises:
 - the 'Executive summary', 'Business and performance', 'System of governance' and 'Risk profile' elements of the SFCR;
 - Company templates IR.05.02.01, IR.05.04.02, IR.19.01.21;
 - the written acknowledgement by management of their responsibilities, including for the preparation of the SFCR ('the Responsibility Statement').
- We have also not audited, and as a consequence do not express an opinion on:
 - The 31 December 2024 comparative GAAP and Solvency II reporting provided in Section D "Valuation of solvency purposes" and Section E "Capital Management" sections of the SFCR.

In our opinion, the information subject to audit in the relevant elements of the SFCR of the Company as at 31 December 2025 is prepared, in all material respects, in accordance with the financial reporting provisions of the Financial Services (Insurance Companies) Regulations 2020, Financial Services (Insurance Supervisory Reporting) (Technical Standards) Regulations 2025 and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs, including ISA 800 and ISA 805). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the SFCR in the Gibraltar, in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to the ‘Valuation for solvency purposes’ and ‘Capital Management’ and sections of the SFCR, which describe the basis of accounting. The SFCR is prepared in compliance with the financial reporting provisions of the Financial Services (Insurance Companies) Regulations 2020, Financial Services (Insurance Supervisory Reporting) (Technical Standards) Regulations 2025 and Solvency II Requirements. The SFCR is required to be published, and intended users include but are not limited to the Gibraltar Financial Services Commission (‘GFSC’). As a result, the SFCR may not be suitable for another purpose. Our opinion is not modified in respect of these matters.

Other Information

The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the SFCR does not cover the Other Information and, we do not express an audit opinion or 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 relevant elements of the SFCR, 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 there is a material misstatement in the relevant elements of the SFCR 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.

Responsibilities of Directors for the Solvency and Financial Condition Report

The Directors are responsible for the preparation of the SFCR in accordance with the financial reporting provisions of the Financial Services (Insurance Companies) Regulations 2020, Financial Services (Insurance Supervisory Reporting) (Technical Standards) Regulations 2025 and Solvency II Requirements which have been modified by the modifications, and supplemented by the approvals and determinations made by the Gibraltar Financial Services Commission.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a SFCR that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the relevant elements of the SFCR are prepared, in all material respects, with financial reporting provisions of the Financial Services (Insurance Companies) Regulations 2020, Financial Services (Insurance Supervisory Reporting) (Technical Standards) Regulations 2025 and Solvency II Requirements on which they are based which have been modified, and supplemented by the approvals and determinations made by the Gibraltar Financial Services Commission.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the SFCR 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 it is not a guarantee that an audit conducted in accordance with ISAs 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 decision making or the judgement of the users taken on the basis of the SFCR.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors; and
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities .

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the SFCR. These included Solvency II as implemented in Gibraltar and , UK and Gibraltar tax legislation; and
- do not have a direct effect on the SFCR but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Companies Act 2014 and related Company Law.

We discussed among the audit engagement team [including relevant internal specialists such as actuarial, tax, and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address it are described below:

Valuation of the technical reserves, specifically the Third Party Injury (“TPI”) claims reserving classes and the application of a management margin, has been deemed a significant risk due to the potential for fraud. This is because these areas require significant management judgement, increasing the risk of management bias.

We obtained an understanding of, and tested, relevant controls relating to the derivation of frequency and severity assumptions for the TPI claims reserving classes. We also obtained an understanding of, and tested, relevant controls relating to the application of a management margin.

In addition, we performed the following procedures:

- We obtained and inspected reports from management’s internal actuarial experts and the external actuarial expert, Willis Towers Watson. Working alongside our actuarial specialists, we assessed and challenged management’s documented key assumptions for TPI reserves, as well as the application of the management margin;
- To evaluate the frequency and severity assumptions for the TPI claims reserving classes, we performed market benchmarking of the key assumptions for TPI reserves. Where relevant, we compared management’s best estimate of reserves with those of the external actuary to identify any significant differences in view;
- We performed a graphical analysis of management’s selected ultimate claims for TPI reserves by accident year and development quarter, comparing these to historical claims development. This analysis was designed to highlight any unusual patterns or outliers in management’s selection of ultimates and to check whether the development of claims was in line with management’s stated assumptions. Where we observed changes in claims development patterns, we discussed these with management and considered both internal factors and broader market conditions as part of our review;
- We assessed management’s reserving output using in-house reserving software and inspected the consistency and appropriateness of management’s sensitivity tests for TPI reserves ensuring these reflected the key areas of judgement and risk; and
- With respect to the margin above the best estimate reserves, using input from our actuarial specialists, we challenged management’s qualitative and quantitative justifications for the margin held above the actuarial best estimate reserves. This involved a review of management’s accounting policy papers and consideration of the suite of scenarios used to derive the margin, including an assessment of whether these scenarios represented feasible alternatives and the statistical weighting applied to each. We also analysed the level of prudence within the booked margin by comparing it to previous reporting periods, the historical booked best estimate, the selected percentile, and the external actuaries’ distribution, to assess the consistency and appropriateness of the margin over time.

In common with all audits under ISAs, we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, our procedures included 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.

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

- reviewing the SFCR disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance , reviewing internal audit reports, and reviewing correspondence with the Gibraltar Financial Services Commission .

Report on Other Legal and Regulatory Requirements

In accordance regulation 56G(1) of the Financial Services (Insurance Companies) Regulations 2020 we are required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of First Central Underwriting Limited's statutory financial statements. 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 relation to this matter.

Use of our Report

This report is made solely to the Directors of First Central Underwriting Limited in accordance with regulation 56G(1) of the Financial Services (Insurance Companies) Regulations 2020. We acknowledge that our report will be provided to the GFSC for the use of the GFSC solely for the purposes set down by statute. Our audit work has been undertaken so that we might state to the insurer's Directors those matters we are required to state to them in an auditor's report on the relevant elements of the SFCR 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 GFSC, for our audit work, for this report or for the opinions we have formed.

Deloitte Limited

Deloitte Limited
Old Police Station
Floor 3, 120 Irish Town
Gibraltar
21 May 2026

Appendix – relevant elements of the Solvency and Financial Condition Report that are not subject to audit

Solo standard formula

The relevant elements of the SFCR that are not subject to audit comprise:

The following elements of template IR.02.01.02

- *Row R0565 – Transitional (TMTP) - life*

The following elements of template IR.12.01.02

Rows R0140 to R0180: Amount of transitional measure on technical provisions

Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

A - BUSINESS AND PERFORMANCE (UNAUDITED)

A.1 Business

Name and legal form

First Central Underwriting Limited

5.1a Waterport Place
2 Europort Avenue
Gibraltar, GX11 1AA

Registered in Gibraltar (number: 99263)

Contact details of the external auditors

Deloitte Limited

Floor 3, 120 Irish Town
Gibraltar, GX11 1AA
Tel: +350 200 41200

Contact details of the supervisory authority

Gibraltar Financial Services Commission

PO Box 940
Suite 3, Atlantic Suites
Gibraltar
GX11 1AA
Tel: +350 200 40283
www.fsc.gi

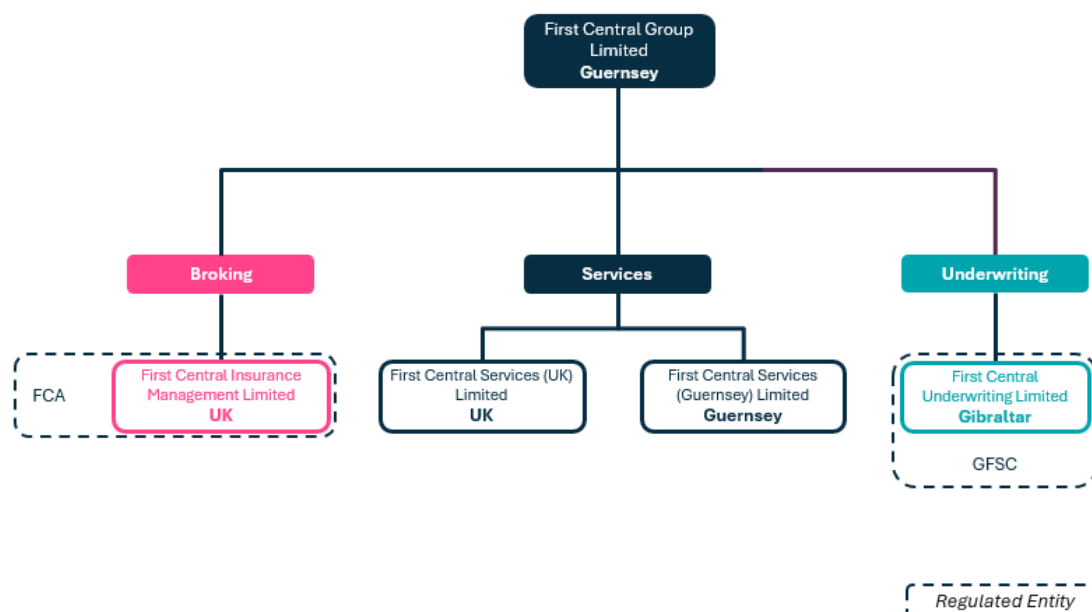
FCG shareholders with qualifying holdings (>10%)

First Central Group Limited, a Guernsey based company, limited by shares, owns 100% of the shares and voting rights of 1CU.

1CU is a Gibraltar-based insurance undertaking, limited by shares and wholly owned by FCG. 1CU is authorised by the GFSC to underwrite the following insurance classes in the United Kingdom:

Class	Type of insurance business
3	Land vehicles
7	Goods in transit
8	Fire and natural forces
9	Damage to property
10	Motor vehicle liability
13	General liability
16	Miscellaneous financial loss
17	Legal expenses
18	Assistance

The chart below shows the Group's structure as at 31st December 2025. FCG owns 100% of the entities within the Group.



Company	Jurisdiction	Function
First Central Group Limited ('FCG')	Guernsey	Group holding company and ultimate parent of all Group subsidiaries. Provides strategic advisory services. It also owns and licenses the core Group intellectual property.
First Central Underwriting Limited ('1CU')	Gibraltar	General insurer of the Group's UK general insurance book.
First Central Insurance Management Limited ('FCIM')	UK	FCA-authorized general insurance intermediary and provider of premium finance and debt recovery. Provides management of policies of insurance, claims and complaints handling, counter fraud and brand management services.
First Central Services (UK) Limited ('FCS(UK)')	UK	Provides back-office support services including HR, legal, risk, compliance, solvency and capital management, financial reporting, financial planning, MI and data, business change and IT services and operations. Management of repair network and vehicle salvage arrangements.
First Central Services (Guernsey) Limited ('FCS(Gs)')	Guernsey	Provides (non-regulated) insurance intermediary services via the insurance platform which collates, uses and analyses data across quotes, broking, claims and provides other development and on-going support in relation to the platform. Also provides instalment collection services.

All subsidiaries of FCG operate collaboratively, with each entity providing specialised services to others within the Group. These arrangements are governed by formal intra-group agreements, ensuring that support functions, advisory services, and operational activities are efficiently delivered across jurisdictions.

Significant events during the reporting period

No significant events to report.

A.2 Underwriting Performance

1CU has traded well, maintained an agile trading approach and delivered in line with the 2025 Business Plan. Having continued to invest heavily in colleagues, data and technology to deliver an effortless customer experience, operational improvements and enhanced capabilities that ensure the rigorous running of the business, the Board is confident in 1CU's ability to continue to deliver the sustainable growth and profitability targeted in the Business Plan.

The motor market softened ~10% across the year, driving a reduction in market quotes to 187m (vs. 217m 2024) and intensifying competition for new business and renewals. Given these trading conditions, the Group continued to deploy internal initiatives to retain competitiveness with 1CU protecting underwriting performance. 1CU's accident year loss ratio for 2025 was 77.0% which has increased since 2024, where the AYLR was 68.8%, 1CU's 2025 profit before tax of £29m exceeded 2024 of £26m.

1CU's pro forma Combined Operating Ratio (adjusting for the reinsurance arrangements and transfer pricing related income and expenses) was 90.4% for 2025 (91.6% for 2024). Transfer pricing income represents 1CU's share of intragroup income retained to ensure the targeted return on capital is achieved.

On prior year reserves, we have seen some inflationary impacts feeding into attritional bodily injury claim costs. Reserving action was taken during the first half of 2025, including additional detailed analysis to understand the key drivers of the development, and the risk has since reduced. Additionally, we did see some adverse development on large claims over 2025, although claim experience is inherently volatile.

Statement of Comprehensive Income (£m)	Year ended	Year ended
	31 st Dec 2025	31 st Dec 2024
Earned premiums, net of reinsurance	71.6	40.8
Other technical income	98.9	148.5
Claims incurred, net of reinsurance	(174.2)	(162.1)
Net operating expenses	20.7	(11.1)
Technical result	17.0	16.1
Investment income	11.6	9.6
Investment expenses and charges	(0.1)	(0.2)
Profit before tax	28.5	25.5
Tax	(4.1)	(3.9)
Profit after tax	24.4	21.6

A.3 Investment Performance

1CU's investment income (net of management fees) in 2025 was £11.5m (2024: £9.4m). The year-on-year increase in investment and interest income was driven by a combination of higher average cash balances and investment returns over 2025, compared with 2024. Average cash balances were £35m higher over the year, with investment returns 0.5% higher.

Investment Performance (£m)	Year ended 31st Dec	Year ended 31st
	2025	Dec 2024
Loan interest income	2.7	2.9
Interest income	4.6	4.2
Realised gain on investments	-	0.5
Unrealised gain on investments	3.2	0.3
Foreign exchange gain on investments	2.9	-
Profit/(loss) on derivative financial instruments	(1.8)	1.7
Investment management fees	(0.1)	(0.2)
Investment income and related expenses	11.5	9.4

A.4 Performance of Other Activities

Nothing to report.

A.5 Any Other Information

Nothing to report.

B - SYSTEM OF GOVERNANCE (UNAUDITED)

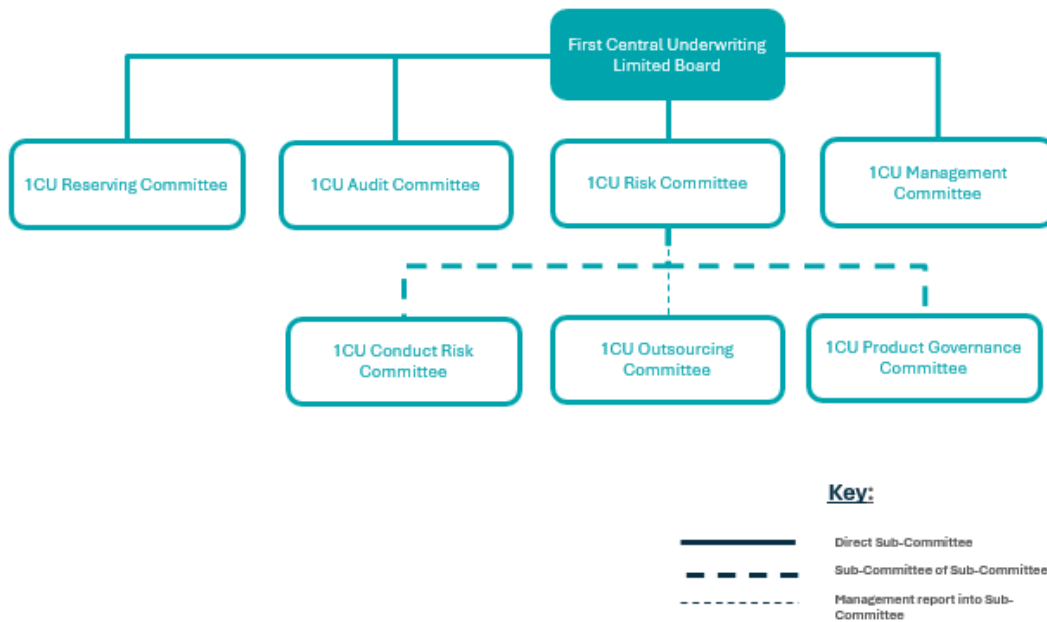
B.1. General Information on the System of Governance

The FCG Board is responsible for ensuring the long-term, sustainable success of the Group and is the principal decision-making body. To achieve this, the FCG Board oversees governance arrangements across the Group as set out through FCG's Corporate Policies. The 1CU Board has collective responsibility for the governance of 1CU, which must align with minimum expectations set by the FCG Board.

The Board is led by the Chair and is composed of five NEDs who provide independent challenge and two Executive Directors responsible for day-to-day management. 1CU maintains the following key functions as defined under Solvency II: Risk Management, Compliance, Internal Audit and Actuarial. The Board receives regular reports and ensures independence and effectiveness.

The 1CU Board has established several Committees with authority to oversee the governance of key risk areas, in accordance with approved Terms of Reference.

1CU Governance Structure



Committee	Responsibilities
First Central Underwriting Limited Board ('1CU Board')	<p>The 1CU Board is responsible for overseeing the performance of the insurance undertaking and for compliance with legal and regulatory requirements. The main responsibilities of the 1CU Board are:</p> <ul style="list-style-type: none"> • Strategy and performance management, including Budget and Operating Plan. • Approval of the annual ORSA. • Risks and controls, regulatory solvency and conduct. • Approval of the Company's reserving/technical provisions and associated financial bookings, following recommendation from the 1CU Reserves Committee. • Board composition and delegated authority. • Engagement with FCG Board on reserved matters.
1CU Audit Committee ('1CU AC')	<p>1CU AC was established to:</p> <ul style="list-style-type: none"> • Examine and report on the level of assurance provided by 1CU's internal audit activities. • Review the adequacy and effectiveness of 1CU's internal financial controls and systems that identify, assess, manage and monitor financial risks. • Review and endorse the annual 1CU financial statements, Solvency and Financial Condition Report and financial reporting processes. • Assess internal and external audit reports prepared in respect of 1CU. • Engage with external auditors where appropriate.
1CU Risk Committee ('1CU RisCo')	<p>1CU RisCo was established to:</p> <ul style="list-style-type: none"> • Oversee the Company's risk appetite, tolerances and strategy, and the material and emerging risks the Company is willing to take in order to achieve its long-term strategic objectives. • Review and endorse the ORSA. • Oversee 1CU's compliance with applicable laws and regulations.
1CU Reserves Committee ('1CU RC')	<p>1CU RC is responsible for reviewing 1CU's claims experience and developing patterns to consider appropriate ultimate reserving provisions for payment of future claims liabilities in conjunction with the reviews by internal and external actuaries. 1CU RC's main responsibilities are to:</p> <ul style="list-style-type: none"> • Consider reports from the internal and external actuaries. • Recommend to the Board an appropriate ULR, on both a gross and net basis on an accident year and underwriting year basis, and therefore recommend the level of ultimate reserving provisions for the payment of future claims liabilities. • Consider and recommend to the Board an appropriate level of management margin to be held above the best estimate, reflecting its view of the level of uncertainty in the reserves. • Consider and recommend to the Board any other relevant technical matters in relation to underwriting premiums and resulting ULRs. • Monitor reserving risks and escalate to the 1CU Board and 1CU RisCo as appropriate.

	<ul style="list-style-type: none"> Recommend the appointment, and monitor the effectiveness of, the external actuary.
1CU Conduct Risk Committee ('1CU CRC')	<p>The purpose of the 1CU CRC is to:</p> <ul style="list-style-type: none"> Oversee the 1CU approach to ensuring that it meets the needs of customers with good conduct outcomes. Ensure that resources, policies and procedures enable the achievement of good outcomes for customers, as set out by the FCA's Consumer Duty and Financial Services (Core Principles and Consumer Duty) Regulations 2024. Ensure, where reasonably practicable, that risks to good outcomes are managed appropriately.
1CU Product Governance Committee ('1CU PGC')	<p>1CU PGC has been established to provide strategic reviews, performance monitoring and due consideration as to the suitability of insurance products offered by 1CU. 1CU PGC provides oversight of 1CU products during their lifecycle, with specific regard given to the interests of its customers, in line with GIPP, Consumer Duty and Product Governance procedures. Where insurance products by other manufacturers are combined or sold alongside 1CU products, 1CU PGC maintains oversight of fair value of the package as a whole.</p>
1CU Management Committee ('1CU ManCo')	<p>The Board of First Central Underwriting Limited ("1CU") has established a 1CU Management Committee ("ManCo") to manage and formalise the collective decision making between the Regulated Individuals' Management Team.</p>
1CU Outsourcing Committee ('1CU OsCo')	<p>The primary purpose of 1CU OsCo is to ensure that 1CU's outsourcing arrangements are effectively monitored and reviewed and remain fit for purpose, and have oversight of outsourced activities, through monitoring of the service quality review process, in line with the agreed SLAs.</p>

The 'Three Lines of Defence Model'

The Three Lines of Defence Model has been adopted throughout the Group as part of the Risk Management Framework and implementation of the Internal Control Policy. The responsibilities of the Three Lines are as follows:

First Line of Defence: Management ('First Line')

The First Line is accountable for the day-to-day management of risk and is responsible for identifying and managing controls as part of its accountability for achieving objectives. This is achieved through implementing the risk management and internal control management system.

Second Line of Defence: Risk Management and Compliance ('Second Line')

The Second Line is formed of the Risk Management and Compliance functions, who specialise in the management of risk and provide the policies, frameworks, tools, techniques, and support to facilitate the effective management of risk by the First Line. It is also responsible for providing

internal assurance that the risk management and internal control system are operating effectively and provide an advisory service to the First Line on risk and compliance matters.

Third Line of Defence: Internal Audit ('Third Line')

The Third Line provides independent assurance to the Boards regarding the effectiveness and adequacy of governance, risk management and internal control in the Group, across both First and Second lines.

Material changes in the system of governance

During 2025, the 1CU Board resolved to replace the Audit, Risk and Corporate Governance Committee with the Audit Committee and the Risk Committee, both of which are chaired by an Independent Non-Executive Director.

Remuneration Policy

The Group Remuneration and Nominations Committee has responsibility for reviewing and approving remuneration of all Executive Directors, NEDs, nominated senior members of the management team, as well as all employees across the Group so as to:

- a) ensure that all colleagues are fairly rewarded for their individual performance and contribution to the Group's overall performance (based upon its objectives); and
- b) demonstrate that the pay of Executive members is objectively reviewed by a committee chaired by an iNED.

Remuneration includes salary, incentives (including share incentive plans), bonus, pension, benefits, terms and conditions and contract of employment, discretionary payments, compensatory or settlement terms on loss of office or payments to be made on retirement or resignation.

Colleague Scheme

Our annual bonus is payable to colleagues in April every year and is determined using both Company Performance and Individual Appraisal Score. It is based on a percentage of annual salary and the average bonus by grade (based on the Group achieving budgeted profit). The average percentage ranges from 0% to 50%.

Senior Leadership Scheme

The Senior Leaders bonus scheme is applicable to all grade 9 and eligible grade 10 colleagues and is linked to the profit achieved in the calendar year compared to the profit target. The bonus percentage a Senior Leader receives is based on their appraisal score and profit results. The bonus model varies between 0 and 100%.

If profit results are above target (par), then any bonus earned above par will be divided into three equal amounts with one third paid in the current year, one third the following year, and one third the year after. If a Senior Leader's remuneration (including company pension contributions) during a calendar year exceeds £500k then 40% of their bonus payment will need to be deferred over a 3 year-period.

Remuneration supports our organisation's long-term business strategy, encourages sustainable performance rather than short-term gain and reflects organisational values and culture, especially in relation to conduct and customer outcomes. Therefore, all colleagues receive a balance of fixed pay, which is based on market data as well as performance in role (objectives and KPIs linked to the overall strategic priorities and metrics) is reviewed annually, variable pay primarily in the form of an annual bonus provides the organisation with the ability to reward colleagues consistently in line with individual and organisational performance outcomes. Therefore, demonstrating a fair balance between fixed and variable pay, with the fixed element ensuring fairness, stability and in year regulatory compliance and the variable pay ensuring a balance of performance and risk management over the short as well as longer term.

The Senior Leaders Bonus Scheme, is the only variable pay element which has an element of deferral and clawback to ensure strong safeguards, in line with regulatory requirements, to encourage colleague retention and to also promote a longer term view of performance.

Pension and Early Retirement Schemes

The Group did not provide any enhanced pension arrangements or early retirement schemes to members of the AMSB or to key function holders during the reporting period.

Material Related Party Transactions

At 31 December 2025 the amount due from related undertakings of £59,245k (2024: £52,170k) was comprised of amounts owing to the Company by FCIM of £30,923k (2024: £25,189k), FCGL of £5,703k (2024: £4,175k), First Central Services Guernsey Ltd ("FCS GSY") of £10,571k (2024: £10,658k) and First Central Services UK Ltd ("FCS UK") of £12,049k (2024: £12,148k) incurred during the year. These amounts were payable on demand and accrued no interest, are considered to be on an arm's length basis and have since been settled in full. During 2024 intercompany balances with FCGL of £185k, FCS GSY of £9,949k and FCS UK of £11,340k, were formalised into loan agreements attracting interest of 2% above the Bank of England base rate, repayable on demand no later than 27 August 2027. During the year repayments of £nil (2024: £nil) have been made, with the outstanding balance as at 31 December 2025 being £197k due from FCGL (2024: £198k), £10,571k from FCS GSY (2024: £10,658k) and £12,049k from FCS UK (2024: £12,148k). At 31 December 2025, the amounts due from related undertakings of £21,954k (2024: £16,649k) are in relation to reinsurance balances due from FCIM as part of the QS arrangements.

During the year the Company entered into a derivative financial instrument with FCGL to mitigate against foreign currency fluctuations the Company is exposed to on its Euro denominated assets. The derivative financial instrument is valid for 12 months and replaces a similar instrument that was entered in to in 2024.

At 31 December 2025 the amounts due to related undertakings of £2,276k (2024: £3,425k) was comprised of amounts owing by the Company to FCS UK of £1,744k (2024: £2,979k), FCIM of £nil (2024: £341k), and FCGL of £532k (2024: £105k) incurred during the year. These amounts were payable on demand and accrued no interest, are considered to be on an arm's length basis and have since been settled in full.

B.2 Fit and Proper Requirements

1CU has clearly documented specific accountabilities and requirements concerning skills, knowledge and expertise in line with the principles of the Regulated Individuals Regime laid out in the Financial Services Act 2019. The following criteria are used when undertaking Fit and Proper assessments:

- Honesty, integrity and reputation (e.g. prudent approach to business, good reputation, no convictions for fraud or dishonesty, no regulatory sanctions, regulatory approval);
- Competence, ability to conduct business and organisation (e.g. experience, knowledge, no conflicts of interest that cannot be reasonably mitigated); and
- Financial position (e.g. no history of personal bankruptcy, no history of association with corporate bankruptcy).

The 1CU Board ensures that all Regulated Individuals are assessed to ensure that they fulfil fit and proper requirements upon appointment and annually thereafter.

The recruitment process of Regulated Individuals includes reviewing the curriculum vitae of the candidate, an in-depth interview, obtaining references (both personal and professional), and due diligence checks which include verification of identification and address, and searches on due diligence databases. The candidate is also asked to declare any interests any conflict with 1CU's interests can be assessed. All conflicts of interest identified are recorded on the Conflicts Register and reviewed by the Board on an annual basis. The disclosure of any new conflicts is requested at each Board meeting.

B.3 Risk Management System Including the Own Risk and Solvency Assessment

1CU has implemented a 'Three Lines of Defence' approach to Risk Management and recognises the importance of managing risks faced in the pursuit of its business objectives. The definition of risk adopted by the Group is "*the effect of uncertainty on objectives*", which is a derivation of the ISO 31000 Risk Management standard definition of risk. 1CU applies the Group's Risk Management Framework ('**RM Framework**'), along with supporting policies and procedures. The Group Risk and Compliance Director and Chief Governance Officer are responsible for ensuring that the RM Framework is implemented and embedded

appropriately, and to provide support and training. The Group Risk and Compliance Director and 1CU Risk Management Function Holder ensure that 1CU's RM Framework is implemented appropriately.

The purpose of the RM Framework is to provide a systematic approach to risk identification and management. It is reviewed from time to time to take account of the changing environment. The RM Framework revolves around the Risk Registers, which contain details of all risks and controls identified for 1CU, and the RM Framework includes a process for monitoring the implementation and efficacy of controls.

Risk Management Process

The risk management process is consistent with ISO 31000 and is comprised of five elements:

- 1) **Identification;**
- 2) **Assessment;**
- 3) **Response;**
- 4) **Monitoring; and**
- 5) **Reporting.**

Risks are assessed on a pre-control (inherent) and post-control (residual) basis using a matrix of impact ('I') and likelihood ('L') scores to arrive at a Critical, High, Moderate or Low rating. The amount of risk the Boards will tolerate in the business, which is defined in the Group Risk Appetite Statement, is also considered in the target rating which is arrived at using the same matrix.

The GFSC undertakes supervision at the ultimate holding-company level and thus both 1CU and FCG are responsible for completing the combined ORSA, which is an internal process covering the view of the consolidated Group as well as 1CU, as the insurance company subject to Solvency II.

The ORSA's main purpose is to ensure that 1CU and FCG assess all the risks inherent to their businesses and determine the corresponding capital needs or identify other means needed to mitigate these risks.

In particular, the ORSA considers situations in which 1CU and FCG may be stressed. This is to examine whether the capital needs and mitigation measures necessary in these scenarios are sufficient to ensure that the business is prepared for, and robust enough to withstand, adverse conditions without material detriment to stakeholders. The capital need identified to run 1CU and FCG is assessed by management using both the Solvency II Standard Formula for regulatory capital and models developed by the business to inform on managements view of the capital position which are termed the Economic Capital Requirement ('ECR').

The ORSA takes a top-down approach, linking business objectives, business risks, risk appetites and tolerances, business planning and capital planning together. The results of the ORSA also feed back into the risk management process, ensuring that all risks identified are incorporated into the assessment, management, monitoring and reporting cycle.

An ORSA is carried out at least annually on the assumption that the solvency needs and capital position are not volatile, and the business' risk profile is stable. However, in line with the ORSA Policy the Boards will consider undertaking a revised ORSA in specific circumstances.

The ORSA is embedded into the business and capital planning processes. The Business Plan, or latest available reforecast, is used to calculate the regulatory capital requirement (from the SCR calculation), both of which are considered by the relevant Board alongside the Business Plan. The ORSA report containing the results and conclusions of the ORSA process is approved by the Risk Committees and Boards.

B.4 Internal Control System

The Internal Control Policy documents the procedures utilised by the Group to ensure there is an effective internal control framework in place. The internal control system is managed through the effective operation of the systems of governance, as well as the 'Three Lines of Defence' model.

The internal control framework is broadly defined as the processes effected by the Board which are designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations in view of FCG's and 1CU's risks and objectives;
- Availability and reliability of financial and non-financial information; and
- Compliance with applicable laws, regulations, and administrative provisions.

Internal control consists of five interrelated components:

- **Control environment:** sets the tone of an organisation through the Business Plan, risk appetite and risk profile;
- **Risk assessment:** understanding the assessment of the risks which exist which would impact on FCG's and/ or 1CU's ability to achieve their objectives;
- **Control activities:** policies and procedures that help FCG and 1CU ensure necessary actions are taken to address risks to achieve their objectives;
- **Information and Communication:** pertinent information must be identified, captured and communicated in a form and timeframe that allows relevant individuals to carry out their responsibilities; and
- **Monitoring:** internal control systems need to be monitored to assess their effectiveness over time. This is accomplished through ongoing monitoring activities, with deficiencies in the internal control framework reported to senior management and the Boards.

These components are the foundation for sound internal control through directed leadership, shared values and a culture that emphasises accountability for control.

The Group's control environment is determined by the FCG Board, supported by 1CU's System of Governance framework described in B.1 above and the Committees which have set the tone of the organisation through the culture, principles, business planning and risk appetite.

The Group Compliance function is responsible for the design, implementation, monitoring, and review of the Group's Compliance processes as well as the identification and communication of any new requirements arising from changes in regulation.

The Group Risk and Compliance Director and the 1CU Compliance Function Holder provide oversight and assurance over the effectiveness of the first line areas in delivering its regulatory responsibilities and adherence to the rules and guidelines set by the GFSC, FCA and other regulatory bodies as applicable.

The Compliance function provides advice and resolution to risk incidents as they arise.

B.5 Internal Audit Function

The primary role of Internal Audit is to independently and objectively assess the level of assurance that can be obtained from risk management, governance, and management's controls by evaluating whether the frameworks are operating effectively and agree recommended actions to be taken where issues are identified. Its secondary role is to provide advice to management in developing such frameworks. FCG has implemented its Group Internal Audit Charter ('GIAC') which outlines requirements and how the function will be performed.

The core principles of the GIAC are:

- **Independence**

Internal Audit acts independently of management and has a direct reporting line to Audit Committees, which are primarily composed of iNEDs, to raise any issues identified.

- **Annual Plan**

The Internal Audit Function Holder prepares an annual plan, which is presented to, and approved by the Audit Committees. This outlines the audits to be performed in the forthcoming year. The scope and frequency of audits included within the annual plan takes previous year audit results into consideration, along with a risk assessment of business activities, materiality and the adequacy of systems of internal control. The annual plan follows a three-year cycle to cover all business areas, prioritising those with higher risk.

The Boards track action closure using Company Objective KPIs, monitoring progress year-round. These KPIs support strategic goals, business plan delivery, and success tracking for the Group, with monthly updates to 1CU ManCo and quarterly reports to the Board.

- **Audit Recommendations Log**

Internal Audit maintains a log of all internal audit recommendations raised during audits completed. This log records the priority of the recommendations, the assigned owners and agreed completion

dates. The log is maintained to ensure all actions are addressed in a timely manner and provide quarterly progress reports to the Audit Committees.

B.6 Actuarial Function

The Actuarial Function Holder ('**AFH**') holds the responsibility for ensuring actuarial services are efficiently carried out, and provides regular reports to the 1CU RC, and an AFH report directly to the 1CU Board on an annual basis.

The Actuarial Function is responsible for:

- Calculation of technical provisions;
- Ensuring appropriate methodologies and underlying models are used, as well as verifying the assumptions made in the calculation of technical provisions are appropriate and proportionate;
- Assessing the sufficiency and quality of the data used in the calculation of technical provisions;
- Comparing best estimates against experience;
- Informing the Board of the reliability and adequacy of the calculation of technical provisions;
- Expressing an opinion on the overall underwriting policy;
- Expressing an opinion on the adequacy of reinsurance arrangements; and
- Contributing to the effective implementation of the risk management system.

A third-party actuarial service provider is engaged to provide an independent estimate of 1CU's reserves quarterly, as well as to provide ad-hoc support on matters to inform the opinion taken by the Actuarial Function and 1CU RC.

Since 2022 1CU has been using the external independent Actuarial Best Estimate ('**ABE**') in the calculation of its capital position and management margin. A quarterly external actuarial review is carried out with the 1CU RC reviewing both the internal and external ABE, in order to recommend the level of reserves to be held.

B.7 Outsourcing

All outsourcing arrangements are monitored by the appropriate business area, with support from the Group Procurement and Supplier Management function. 1CU considers outsourcing as being the use of a third party (either an affiliated entity within the same Group or an external entity) to perform activities on a continuing basis that could be undertaken within 1CU.

Outsourcing is considered where particular advantages are identified, for example access to specialist resource, provision of services in the same jurisdiction as the customer, or cost benefits. However, fundamental responsibilities such as the setting of strategies and policies, the oversight of the operation of the 1CU's processes, and the final responsibility for customers, are never outsourced.

1CU's outsourcing committee provides enhanced oversight of all outsourced arrangements, including intercompany arrangements.

The table below summarises the material services outsourced to third parties outside of the Group during the reporting period:

Material Services Outsourced Services or Activities	Jurisdiction
Investment Management	UK
Payroll	Gibraltar
Policy Sales and Administration	UK and South Africa

Additional services are provided to 1CU by other Group companies, as outlined in section A.1 of this report.

B.8 Any Other Information

Assessment of the Adequacy of the System of Governance

The Board has considered the operation of the system of governance throughout the reporting period and is satisfied that it remained fit for purpose, taking into account the business model, risk exposure and organisational complexity of 1CU.

Consideration of governance adequacy is embedded within the firm's ongoing oversight framework and informed by management oversight activities, compliance monitoring results and independent assurance. This includes analysis of themes arising from complaints, incidents and breaches, together with an assessment of whether actions taken have effectively addressed the underlying causes identified.

As part of its annual evaluation of governance arrangements, the Board and principal committees review how responsibilities are allocated, how decisions are taken and whether information provided supports effective challenge and oversight. This process includes an annual review of Committee Terms of Reference, with updates made where necessary to reflect regulatory expectations, changes in the firm's risk profile or refinements to governance responsibilities.

Independent insight is provided through internal and external audit activity, which assess key elements of the governance framework and provide recommendations where enhancements are identified. Progress against agreed actions is monitored to ensure that improvements are delivered in a timely and proportionate manner.

The Board also undertakes an annual effectiveness assessment, supported by a Governance Framework Survey, which considers the operation of the Board and committees, the quality of discussion and challenge, and the effectiveness of escalation and oversight arrangements. Based on the outcomes of these assessments, the Board concluded that the system of governance operated effectively during the year and that targeted enhancements introduced have further strengthened governance arrangements.

C - RISK PROFILE (UNAUDITED)

The FCG Board is responsible for determining risk strategy and risk appetite across the Group, and for the Group's system of risk management and internal control. 1CU Board has aligned itself to this framework and has delegated the oversight of the 1CU risk environment to the 1CU Risk Committee.

Each risk area ('**Level 1 risk**') has a tolerance agreed by the 1CU Board and by responsible executives to support management in their understanding of risk appetite and to allow for the identification of incidents, or events, which will require mitigation to avoid a breach of risk appetite. For example, the tolerance for Information Security Risk (for which 1CU have a generally cautious appetite or averse when it comes to sensitive data) is aligned to the Group Risk Appetite Statement (GRAS), which has been agreed with 1CU Risk Committee. The information security risk methodology and assessments, backed by the implementation of best practice controls, are used to manage information security risks. KPIs and assurance reviews are designed in order to measure alignment with ISO 27001 and track automated controls, manual controls and incidents in order to allow expert review and assessment of exposure.

The efficacy of controls is assessed by the control owner and reviewed by the relevant risk owner as part of a well-established review process, in conjunction with the Risk Management Function Holder and Group Risk (where required), with the output of these reviews supporting the assessment of 1CU's exposure. Risk owners review their entire control environment periodically as part of the Risk Review process. In addition, controls are subject to independent testing regularly with the results used to drive a granular analysis of the risk environment and identification of any mitigating actions required to bring risks within the appetite set by the Boards.

All risks covered within the SFCR consider the wider macro environment and their impact upon 1CU, including the impact of the ongoing conflict in Ukraine (nearing its fourth year) and the US trade tariffs. The UK economy is expected to grow modestly in 2026, with GDP forecasts ranging from 1% to 1.2%. While inflation is projected to ease to around 2.5%, growth will remain subdued due to persistent cost pressures. As such, these risks are not considered to be standalone risks but a key part of the wider external risk environment in which 1CU operates.

The following risks are monitored and managed within the Group RM Framework:

C.1 Underwriting Risk

Ongoing underwriting risk is managed and monitored by the 1CU Management Governance Framework. Efficacy of underwriting controls is maintained by conducting regular reviews and deploying any mitigating actions required in case the risk is not in line with the risk appetite approved by the 1CU Board.

1CU was the only insurance risk carrier in the Group during the reporting period. As the only insurer in the Group, 1CU presents an underwriting risk in circumstances where the ultimate cost of claims for the risks underwritten is significantly in excess of the premiums collected for those risks, and the regulatory solvency capital retained by it. Any shortfall in required regulatory solvency capital can be mitigated through 1CU's ability to utilise its Board approved Recovery Plan, which includes levers that raise additional solvency capital amongst others (i.e. extending Quota Share ('QS') reinsurance cessions or de-risking the investment portfolio).

In addition to all the recovery levers included in the Recovery Plan, each year (usually as part of the annual business planning process), the FCG Board formally re-affirms its commitment to ensuring that all of its subsidiaries, including 1CU, have sufficient levels of liquidity and solvency necessary to manage their respective businesses, which is recorded in the relevant FCG Board minutes.

The key risk to manage, therefore, on an ongoing basis, is the adequacy of premiums charged in relation to insurance business underwritten, reserves and capital.

In addition to premiums written as an insurer, 1CU also receives a share of the income earned by FCIM from the associated sales of ancillary product commission and instalment income, which is transferred to 1CU in line with the Group's approach to transfer pricing, which is set out in the Group's Tax Risk Management Policy.

Reinsurance

1CU relies on a QS and Excess of Loss (**XoL**) reinsurance programme to mitigate its underwriting risk and provide greater flexibility over the volume underwritten. It mitigates its counterparty risk by applying a policy of using A- or above rated (by AM Best or S&P) reinsurers. The cession on the QS programme for 2025 was 73%, compared to 75% in 2024.

Reserving

Inappropriate reserving could result in the claim reserves being materially inaccurate. This could result in the reserves that 1CU hold being insufficient to cover customer claims or other liability obligations owed by it. Alternatively, over-reserving could result in understating profit recognition, capital strain and inappropriate pricing impacting 1CU's competitive position.

The 1CU RC reviews and considers both 1CU's internal ULR projections, as well as the projections completed by the appointed independent external actuaries, so as to recommend to the 1CU Board an appropriate ULR, on both a gross and net basis for each accident year, and its allocation to a year of account, both at the financial year end and at least quarterly intervals during the year.

In line with the standard formula approach, underwriting risk capital requirements are calculated net of reinsurance. However, for both Motor and Home contracts proportional Quota Share reinsurance contracts

allow for 1CU to participate in the profitability of those portions of the book through profit commission arrangements. The Capital and Reinsurance function monitors the effectiveness of 1CU's reinsurance arrangements on an ongoing basis, reporting the findings to the 1CU & Group boards at least annually. The process includes a range of areas such as reinsurance development, reinsurance performance and credit monitoring and forms an integral part of business planning activity. The additional risks that 1CU is exposed to through these contracts are captured in 1CU's CAO, refer to section C6.

C.2 Market Risk

1CU is exposed to market risk in relation to its investments. 1CU has a cautious investment risk appetite under which 1CU invests in UK gilts, sovereigns, supranational, agency bonds, MMF and cash with a credit rating of A- or greater. Exposure to these investments is both direct and by way of managed funds. A number of loans backed by property investments have also been held previously, although as at 31 December 2025 only one of these remained, which is due for repayment by 30 September 2026. The Group Investment Committee ('GIC') regularly reviews its investment risk appetite and maintains a conservative strategy. GIC and management closely monitor all investments and receive quarterly updates from the Group Chief Financial Officer, who is responsible for overseeing the investment and property loan portfolio. The Group has utilised the services of the same external investment management company since 2022.

Prudent Person Principle

Solvency II introduced the Prudent Person Principle for managing investments. The Prudent Person Principle seeks to ensure that the industry understands and can manage its investment risks. Specifically, insurers must be able to demonstrate that they can properly identify, measure, monitor, manage, control and report on their investment risks and not place reliance upon information provided by third parties.

1CU's risk management and strategic decision-making process in respect of asset investment is centred on GIC. GIC is an FCG Board sub-committee to which 1CU has delegated oversight of investments, with 1CU representation on GIC to ensure its interests are adequately reflected in investment governance. The governance process for material asset investment decisions can be summarised as follows:

Review	<ul style="list-style-type: none"> • Management review of asset classes, asset managers and proposed assets • Factors considered include: yield, capital, asset and liability duration, diversification, credit quality, liquidity, currency, cost, tax, accounting and environment, social and governance factors
Proposal	<ul style="list-style-type: none"> • Proposals discussed at GIC • Senior management review including Group Chief Financial Officer and 1CU Head of Finance
Approval	<ul style="list-style-type: none"> • Investment Policy approved by FCG and 1CU Boards
Implementation	<ul style="list-style-type: none"> • Management implement Policy • Included in the ongoing valuation, income and capital process

1CU forecasts its cash requirements over a three to five-year horizon based on the Business Plan, considering forecast claims payment patterns, contractual payments (e.g. XOL and QS reinsurance payments) and liquidity of the assets. In particular, the bond portfolio is invested in UK gilts, supranational and agency bonds which, along with the cash and cash equivalents held, are designed to approximate the nature and duration of the insurance liabilities. 62.3% of 1CU Investments are held in cash and cash equivalents compared to 50.5% in 2024.

C.3 Credit Risk

Credit risk is the risk that a counterparty will be unwilling or unable to pay amounts in full when due.

Key areas of exposure to credit risk for 1CU are:

- Reinsurers' share of insurance liabilities;
- Amounts due from reinsurers in respect of claims already paid;
- Amounts held with banks and other financial institutions; and
- Amounts due from insurance intermediaries.

All reinsurance and banking counterparties used have a credit rating of at least A- and exposures are monitored against risk appetite by 1CU ManCo.

Credit risk presented by premium owed to 1CU by FCIM is mitigated by a contractual requirement for FCIM to pay all premium due for the period policies are on risk to 1CU, whether it has been collected from policyholders or not, and by FCIM being a connected party.

C.4 Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay obligations when they are due.

Liquidity risk is assessed and monitored through our internal control system, ensuring that there are sufficient funds available to meet both immediate and foreseeable cash flow requirements. This is done by reviewing balances in bank accounts and investments against expected cashflow requirements, bearing in mind maturities of investments, notice periods for withdrawals, and known substantial expenses (e.g. reinsurance premium payments). This must address 1CUs' management requirements, while complying with the relevant regulations. The Liquidity Risk Management Policy is reviewed annually and updated. Stressed and unstressed liquidity scenarios are monitored periodically.

C.5 Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, personnel, systems or from external events.

1CU's key operational risks are:

- Ineffective information security and cyber security standards resulting in the inability to preserve the confidentiality, availability or integrity of information;
- Ineffective integration of key or strategic projects designed to improve business operations;
- Material outsourced service providers fail to provide levels of service as expected and required by the 1CU, affecting the Group's ability to sell policies, adequately service customers and claims;
- Financial crime risk, with particular focus on failure to prevent or detect money laundering, application fraud and claims fraud;
- Inefficient or inadequate processes, or the failure to follow defined processes results in negative impacts to key underwriting, pricing, reserving and finance outputs and deliverables; and
- Poor quality data management, relating to policy, claims and financial data, could result in inaccurate results and inappropriate decision making.
- Conduct risk associated with customer outcomes, product value and market stability.

Operational risk within 1CU is identified, assessed and monitored through the RM Framework. The operational risk capital requirement is rigorously monitored and managed to ensure that the necessary solvency margins, both internal and statutory, are maintained. The capital requirement is calculated using the standard formula.

Risk Sensitivity and Stress Testing

At least once a year as part of the ORSA, the Group performs sensitivity analysis and stress testing to assess the resilience of its solvency position under adverse but plausible conditions. Testing covers the Group and First Central Underwriting Limited ('1CU') and is performed using the Solvency II Standard Formula, supplemented by internally defined scenarios aligned to the Risk Register and business plan.

Sensitivity tests apply single-factor shocks to key risk drivers, including underwriting performance, reserve adequacy and business volumes.

Scenario tests combine multiple adverse developments and likely manage responses to these developments to provide a more comprehensive view of the business's resilience to stress events, the factors stressed include underwriting deterioration, market softening, reinsurance disruption, operational events and catastrophe losses.

Key assumptions include increases in accident year loss ratios and claims reserves, reductions in premium volumes, adverse reinsurance market conditions (including reduced quota share capacity, higher retentions and reinsurer default), business continuity events and multiple catastrophe scenarios affecting the Home portfolio.

Results are assessed using the Solvency II Standard Formula and presented as impacts to the Capital Coverage Ratio. Across all tested scenarios, the Group remains above its regulatory capital requirements and solvency risk appetite. The most material impacts arise from underwriting and reinsurance stresses; however, these are mitigated through pricing actions, reinsurance protections and recovery mechanisms. For 1CU, contractual transfer pricing controls further support solvency resilience.

In addition to this the business may opt to perform additional stress and scenario testing, as part of business planning/ reforecasting activity or to support strategic decision making.

Overall, the sensitivity and stress testing demonstrates that the Group and 1CU are robustly capitalised and able to withstand severe but plausible adverse scenarios while remaining compliant with regulatory capital requirements.

C.6 Other Material Risks

Gibraltar Authorisation Regime ('GAR')

The UK and Gibraltar governments have agreed to reciprocal market access for UK and Gibraltar financial services firms. The permanent market access arrangements for Gibraltar firms are included in Chapter 22 of the UK's Financial Services Act 2021 and are subject to sectoral assessments to ascertain that the required conditions are met. The transitional arrangements introduced prior to the UK's exit from the European Union to maintain mutual market access are expected to continue to be renewed as necessary until GAR comes into effect.

While GAR is expected to provide long-term certainty over market access, delays in implementation or changes to the final scope could increase regulatory complexity or operational burden for Gibraltar-based firms. The Board continues to closely monitor developments relating to GAR and engages, where appropriate, with relevant stakeholders to ensure readiness for implementation and to mitigate potential impacts on FCG and 1CU's operations and market access.

Brexit

In June 2025, a political agreement was reached between the UK, Spain, Gibraltar, and the European Commission, marking the final major post-Brexit settlement concerning Gibraltar. The new treaty will remove all land border controls between Spain and Gibraltar, allowing for the free movement of people and goods and establishing a customs union between Gibraltar and the EU. This agreement is expected to come into effect in early 2026.

While the agreement is expected to reduce friction and provide greater long-term stability, there remains a degree of uncertainty during the transition to the new arrangements, including the potential for temporary border or operational disruption. The Boards continue to monitor developments closely and assess any emerging risks, with mitigation focused on maintaining operational resilience and ensuring continuity of business activities.

Iran Conflict

Since the beginning of 2026, geopolitical tensions in the Middle East, including developments relating to the Iran conflict, have increased. While 1CU does not have direct exposure to the affected regions, the broader macroeconomic impacts may indirectly influence its operating environment. Geopolitical developments are monitored as part of the ongoing risk management processes. At the reporting date, no material impact on 1CU's solvency position has been identified.

Capital Add On (CAO)

As noted earlier in this section 1CU has applied for a Capital Add-On as a result of limitations in the standard formula with respect to 1CU's risk profile. The CAO reported in the 2025 1CU Annual QRT is £11.3m following approval in March 2026.

The CAO reflects the risks associated with sliding scale profit commission arrangements present on its Quota Share reinsurance arrangements for its Motor portfolio. Under stressed conditions, there is a risk that reinsurance commission income recognised in the Solvency II balance sheet will need to be revalued reducing the value of Own Funds.

It is worth noting that while these arrangements also exist on 1CU's home portfolio, the CAO relating to this is currently nil as whilst the portfolio remains relatively undeveloped, 1CU reserves at a loss ratio in excess of contractual trigger points at which a fixed commission becomes payable from the reinsurer.

C.7 Any Other Information

There is no other material information to disclose.

D - VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

As at 31st December 2025, 1CU held the following assets:

Asset Class (£m)	GAAP Accounts Value		Solvency Valuation Adj.		Solvency Value	
	2025	2024	2025	2024	2025	2024
		(Unaudited)		(Unaudited)		(Unaudited)
Properties, plant and equipment held for own use	0.2	-	-	-	0.2	-
Collective investment undertakings	232.4	160.5	-	-	232.4	160.5
Technical provisions – reinsurance share	1,012.2	919.9	(398.5)	(421.6)	613.7	498.3
Insurance and reinsurance receivables	576.4	607.5	(498.5)	(535.6)	77.9	71.9
Cash and cash equivalents	0.1	0.1	-	-	0.1	0.1
Financial investments - other loans	21.5	21.5	13.9	12.2	35.4	33.7
Other assets	84.0	72.8	(14.0)	(12.7)	70.0	60.1
Deferred acquisition costs	28.0	29.4	(28.0)	(29.4)	-	-
Deferred taxation	-	-	-	-	-	-
Derivatives	1.4	3.2	-	-	1.4	3.2
TOTAL	1,956.2	1,814.9	(925.1)	(987.1)	1,031.1	827.8

Asset Class	Description
Properties, plant and equipment held for own use	Properties, plant and equipment held for own use comprise tangible assets that are held by the Company for use in the conduct of its business, rather than for investment purposes. This includes office premises and associated fixtures and fittings. For Solvency II purposes, these assets are valued at fair value, determined in accordance with Regulation 65 of the Financial Services (Insurance Companies) Regulations 2020, and reflect the amount for which the assets could be exchanged between knowledgeable, willing parties in an arm's length transaction.
Collective Investment Undertakings	Collective Investment Undertakings comprise investments in pooled bond funds and money market funds, where the Company holds units or shares. These funds provide exposure to diversified portfolios of fixed income securities and short-term money market instruments and are held for investment purposes, primarily to support liquidity management and capital preservation objectives. For Solvency II purposes, Collective Investment Undertakings are valued at fair value in accordance with Regulation 65 of the Financial Services (Insurance Companies) Regulations 2020, based on quoted market prices where available. Where quoted prices are not directly observable, valuations are based on the net asset value reported by the fund manager or administrator. There are no differences between the Solvency II and Statutory accounting values
Technical Provisions Reinsurance Share	The reinsurance share of technical provisions represents the portion of gross technical provisions that is recoverable from reinsurance counterparties under existing reinsurance arrangements. This includes the reinsurers' share of the best estimate of liabilities. For Solvency II purposes, the reinsurance share of technical provisions is valued separately from gross technical provisions in accordance with Regulation 66 of the Financial Services (Insurance Companies) Regulations 2020 and reflects the

	<p>expected recoveries from reinsurers, adjusted for the time value of money and the probability of default of the reinsurers. Counterparty default risk is explicitly allowed for through the application of a deduction reflecting the expected losses due to reinsurer default.</p> <p>Differences between the Solvency II valuation and the statutory accounting value primarily arise from the derecognition of Unearned Premiums, which are replaced with the expected claims arising on the unearned premiums, as well as the use of a cash flow based approach to valuation allowing for the time value of money using prescribed PRA yield curves in discounting calculations</p>
Insurance and Reinsurance Receivables	<p>Insurance and reinsurance receivables comprise amounts due to the Company arising from direct insurance and reinsurance contracts, including premiums receivable, reinsurance commissions due, and other contractually agreed balances. For Solvency II purposes, insurance and reinsurance receivables are valued at fair value in accordance with Regulation 65 of the Financial Services (Insurance Companies) Regulations 2020, generally approximated by their nominal value.</p> <p>In line with Solvency II valuation requirements, premium receivables and similar balances relating to insurance obligations are included within the calculation of technical provisions and are therefore transferred from receivables to the best estimate of liabilities for Solvency II reporting purposes.</p> <p>The remaining balance represents funds due from intermediaries which are still within intragroup payment terms but are yet to be remitted to the insurer, in line with prescribed market wide guidance from the GFSC</p>
Cash and Cash Equivalents	<p>Cash and cash equivalents comprise cash balances held at banks that are immediately available for use by the Company. These balances are held primarily for liquidity management and to meet short-term operational and claims-related funding requirements. For Solvency II purposes, cash at bank is valued at fair value in accordance with Regulation 65 of the Financial Services (Insurance Companies) Regulations 2020, which is considered to be equal to its nominal value given the short-term nature of the balances.</p> <p>There are no differences between the Solvency II valuation and the statutory accounting value for cash at bank.</p>
Financial investments other loans	<p>Financial investments – other loans comprise loans that are not classified as bonds or cash equivalents and are held by the Company for investment purposes. These assets typically represent fixed or determinable payments and are intended to be held to maturity. For Solvency II purposes, other loans are valued at fair value in accordance with Regulation 65 of the Financial Services (Insurance Companies) Regulations 2020, based on the present value of future contractual cash flows, discounted using appropriate risk-free interest rates and adjusted where relevant to reflect credit risk.</p> <p>The primary difference between the Solvency II valuation and the statutory accounting value is the reclassification of a property development loan which is classified as “Other assets” for statutory purposes but treated as a loan under Solvency II and revalued using discounted cash flows.</p>
Other Assets	<p>Other assets comprise balances that do not fall within the specific asset categories disclosed elsewhere, including prepayments, accrued income and other sundry debtor balances. These assets are generally short-term in nature and arise in the normal course of business operations. For Solvency II purposes, other assets are valued at fair value in accordance with Regulation 65 of the Financial Services (Insurance Companies) Regulations 2020, which is typically considered to approximate their nominal value due to their short duration.</p>

	<p>Any differences between the Solvency II valuation and the statutory accounting value are not material and primarily reflect classification and presentation differences rather than valuation methodology, as discussed above for the Financial Investment – other loan.</p>
Deferred Acquisition Costs	<p>Deferred acquisition costs represent costs that are deferred under statutory accounting standards in respect of the acquisition of insurance contracts, such as commissions and related expenses. Under Solvency II, deferred acquisition costs are not recognised as a separate asset. Instead, all future cash flows relating to acquisition expenses are included within the calculation of the best estimate of liabilities as part of the technical provisions. As a result, deferred acquisition costs have a nil value for Solvency II purposes.</p> <p>The difference between the Solvency II valuation and the statutory accounting value therefore arises due to the requirement to value insurance obligations on a fully prospective, cash-flow-based basis under Solvency II.</p>
Deferred Taxation	<p>Deferred tax assets arise from temporary differences between the valuation of assets and liabilities for Solvency II purposes and their corresponding tax bases, where these differences are expected to result in recoverable amounts of taxation in future periods. Deferred tax assets are recognised only where it is considered probable that sufficient taxable profits will be available to allow the asset to be utilised. For Solvency II purposes, deferred tax assets are valued in accordance with Regulation 65 of the Financial Services (Insurance Companies) Regulations 2020, using tax rates enacted or substantively enacted at the reporting date.</p> <p>Differences between the Solvency II and statutory accounting valuations primarily reflect valuation differences in assets and technical provisions under Solvency II and the associated impact on future taxable profits.</p>
Derivatives	<p>Derivatives comprise financial instruments such as swaps or forward contracts that are held for risk management purposes. These instruments are used to manage exposures arising from market risks, in line with the Company's investment and risk management policies and are not used for speculative purposes. For Solvency II purposes, derivatives are valued at fair value in accordance with Regulation 65 of the Financial Services (Insurance Companies) Regulations 2020, based on quoted market prices or observable market inputs where available.</p> <p>The valuation methodology applied under Solvency II is consistent with that used for statutory accounting purposes, and as a result there are no material differences between the Solvency II valuation and the GAAP valuation of derivatives.</p>

D.2 Technical Provisions

The 1CU technical provisions include claims reserves incurred based on earned premiums which consider all reasonably foreseeable best estimates. This includes reserves for claims incurred plus a provision for claims Incurred But Not Reported ('IBNR'). 1CU also consider any amounts recoverable from reinsurance contracts in respect of claims reserves and IBNR. The technical provisions also include an estimate of the claims which will be payable on unexpired risks (sometimes termed 'premium provisions') based on the expected ultimate loss ratios and large loss experience from the claims provisions.

The gross technical provisions by line of business for 1CU are as follows:

31st December 2025

Line of business (£m)	Technical provisions (excluding risk margin)		Risk margin		Technical provisions	
	2025	2024 (Unaudited)	2025	2024 (Unaudited)	2025	2024 (Unaudited)
Motor vehicle liability insurance	724.2	524.4	8.5	7.5	732.7	531.9
Other motor insurance	(29.4)	(17.7)	-	-	(29.4)	(17.7)
Annuities stemming from non-life insurance contracts	34.0	36.0	0.1	0.1	34.1	36.1
Fire and other damage insurance	(1.4)	(0.3)	0.1	-	(1.3)	(0.3)
Total	727.4	542.4	8.7	7.6	736.1	550.0

Notes to the table:

On materiality grounds 1CU does not subdivide its household business by Solvency II line of business, instead allocating the entirety to 'fire and other damage to property insurance'.

Risk margin is allocated to the lines in business in proportion to the Net Claims Provision liability (this is why the risk margin allocation to Other Motor Insurance is zero).

The key areas of uncertainty around 1CU's technical provisions are as follows:

- Estimation of Outstanding Loss Reserves ('OSLR'): while information about claims is generally available, assessing the cost of settling the claim is subject to some uncertainty;
- Estimation of the losses relating to IBNR claims: this is generally subject to a greater degree of uncertainty than estimating the OSLR since the nature of the claims is not known at the time of reserving;
- Estimation of claims arising on business which has not yet expired (unexpired risks): this is uncertain as the claims have not yet been incurred but are expected to be incurred on the business which 1CU has written;
- Market environment: changes in the market environment increase the inherent uncertainty affecting the business, including macro-economic factors on vehicle damage-related claims inflation that are uncertain;
- Events Not In Data ('ENID'): estimating a provision for events not in data is subject to considerable uncertainty as the events being reserved have not been observed;

- Run-off expenses: the estimation of the expenses required to run-off of the bound obligations is inherently uncertain due to the estimations around the length of the run-off, base costs and inflation; and
- Risk margin: the risk margin, being the margin payable to transfer the business to another insurance carrier, is uncertain due to the requirement to forecast future solvency capital requirements over the period of a run-off. This therefore shares the same uncertainties of the run-off expenses provision considered above as well as the inherent uncertainties around forecasting future solvency capital requirements.

1CU manage the risks around these uncertainties via the following actions:

- Ongoing monitoring of claims, including regular reviews of claims handling functions;
- Maintaining a number of reinsurance arrangements to limit the impact of adverse claims development;
- Internal controls through underwriting and claims management meetings and the Actuarial Function which monitor claims development and reinsurance arrangements; and
- Quarterly internal and external actuarial reviews.

Qualitative and quantitative explanations of differences of bases, methods and assumptions used between the valuation for solvency purposes and the financial statements:

(£m)	2025	Comment
Gross GAAP Technical Provisions	1,248.6	Per Previous Section
Profit on UP	(49.6)	Profit on unearned exposure following creation of premium provision
Loading for events not in data (ENID)	7.7	Adjustment to capture the effect of possible future events
Removal of unpaid premiums from premium provision	(364.8)	GAAP treats this item as an asset
Solvency II Discounting	(117.3)	Solvency II Discounting using prescribed risk free yield curve
Solvency II Risk Margin	8.7	Solvency II Risk Margin
Other Solvency II Adjustments	2.8	SII Run Off Provision, BBNI, etc
Gross SII Technical Provisions	736.1	

1CU have not applied the matching adjustment, volatility adjustment, transitional risk-free interest term structure or the transitional deduction in calculating technical provisions.

D.3 Other Liabilities

1CU recorded the following classes of liabilities for solvency purposes:

Liability (£m)	As at 31/12/2025			2024 (Unaudited)		
	GAAP Accounts Value	Solvency Valuation Adj.	Solvency Value	GAAP Accounts Value	Solvency Valuation Adj.	Solvency Value
Reinsurance accounts payable	365.9	(365.9)	0.0	392.9	(392.9)	0.0
Deferred income	52.0	(52.0)	0.0	70.0	(70.0)	0.0
Other creditors, including corporation tax and IPT	67.8	(4.4)	63.4	50.0	16.9	66.9
Deferred tax liabilities	-	1.7	1.7	-	2.0	2.0
Total	485.7	(420.6)	65.1	512.9	(444.0)	68.9

1CU has no material leasing arrangements.

Liability Class	Description
Reinsurance Accounts Payable	<p>Reinsurance accounts payable comprise amounts owed by the Company to reinsurers under reinsurance contracts, including premiums payable and other contractually agreed balances arising in the normal course of business. For Solvency II purposes, reinsurance accounts payable are valued at fair value in accordance with Regulation 65 of the Financial Services (Insurance Companies) Regulations 2020, which is generally considered to approximate their nominal value due to their short-term nature. In line with Solvency II valuation requirements, balances directly relating to reinsurance obligations are incorporated within the calculation of technical provisions and are therefore transferred from reinsurance payables into the best estimate of liabilities for Solvency II reporting purposes.</p> <p>Differences between the Solvency II valuation and the statutory accounting value primarily arise from this reclassification and the application of a cash-flow-based valuation approach under Solvency II.</p>
Deferred Income	<p>Deferred income comprises commission receivable from quota share reinsurance arrangements, primarily representing ceding commissions that are deferred under statutory accounting standards and recognised over the coverage period of the underlying insurance contracts. Under Solvency II, deferred income is not recognised as a separate liability. Instead, all future cash flows arising from reinsurance arrangements, including expected commission receipts, are incorporated within the calculation of technical provisions through the best estimate of liabilities. As a result, deferred income balances recognised under statutory accounting are transferred into technical provisions for Solvency II reporting purposes.</p> <p>Differences between the Solvency II valuation and the statutory accounting value therefore arise from the requirement to adopt a fully prospective, cash-flow-based valuation of insurance and reinsurance obligations under Solvency II.</p>
Other creditors, including corporation tax and IPT	<p>Other creditors comprise amounts payable by the Company that do not fall within specific liability categories disclosed elsewhere, including accruals for operating expenses, amounts owed to suppliers, and other sundry payables arising in the normal course of business. These balances are generally short-term in nature. For Solvency II purposes, other creditors are valued at fair value in accordance with Regulation 65 of the Financial Services (Insurance Companies) Regulations 2020, which is considered to approximate their nominal value.</p>

		Differences between the Solvency II valuation and the statutory accounting value are not material and primarily reflect classification and presentation differences rather than valuation methodology.
Deferred Liabilities	Tax	<p>Deferred tax liabilities arise from temporary differences between the Solvency II valuation of assets and liabilities and their corresponding tax bases, which are expected to result in taxable amounts in future periods. For Solvency II purposes, deferred tax liabilities are recognised and valued in accordance with Regulation 65 of the Financial Services (Insurance Companies) Regulations 2020, using tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax liabilities primarily arise from valuation differences relating to technical provisions and the fair value measurement of assets under Solvency II.</p> <p>Any differences between the Solvency II valuation and the statutory accounting value reflect the differing valuation bases applied and the timing of the recognition of taxable amounts.</p>

D.4 Alternative Methods for Valuation

Not applicable to 1CU.

D.5 Any Other Information

Not applicable to 1CU.

E - CAPITAL MANAGEMENT

E.1 Own Funds

Information on the objectives, policies and processes for managing Own Funds:

1CU's objectives when managing capital are:

- To ensure it can meet all its policyholder obligations in a timely fashion
- To safeguard 1CU's ability to continue as a going concern
- To comply with UK Solvency capital requirements with an appropriate margin
- To provide distributions to the Group parent company in the form of dividends when there is excess capital above these levels.

Forward looking assessments of Capital are performed over a three-year planning horizon and are reported within the Group's annual ORSA process.

1CU classify own funds as tier 1, tier 2 or tier 3 depending on the characteristics of the capital. Tier 1 capital is the best form of capital for the purposes of absorbing losses.

1CU's eligible own funds as at 31st December 2025 and 31st December 2024 are as follows.

Own Fund Item	Tier	31 st December 2025		31 st December 2024 (Unaudited)	
		£m	%	£m	%
Share capital and share premium	1	81.9	41.0	81.9	39.2
Reconciliation reserve	1	118.0	59.0	127.1	60.8
Deferred tax asset	3	-	-	-	-
		199.9	100	209.0	100

Tier 1 Own Funds comprises Ordinary Share Capital and Share Premium of £81.9m (2024: £81.9m) and the reconciliation reserve of £118.0m (2024: £127.1m). The reconciliation reserve consists of Solvency II excess of assets over liabilities, less foreseeable capital distributions of £30.0m.

The Tier 1 Own Funds are fully available to absorb losses on both a going-concern and winding up basis and are immediately accessible without any encumbrance, restriction or requirement for regulatory or shareholder consent.

The Ordinary Share Capital, Share Premium and Reconciliation Reserve are fully subordinated to all policyholder and creditor obligations and rank last in the event of liquidation.

The instruments are of unrestricted duration, with no fixed maturity, mandatory redemption features or incentives to redeem thereby providing permanent capital support to the business.

In terms of quality features, the Tier 1 Own Funds are free from any hedging guarantees, security interests or structural features that could undermine their loss-absorbing capacity. There are no planned or contractual arrangements that would adversely affect their availability or ability to meet the Solvency Capital Requirement or Minimum Capital Requirement. Accordingly, Tier 1 Own Funds fully meet the criteria for unrestricted Tier 1 capital under Solvency II.

1CU's SCR of £123.0m is fully covered by Tier 1 Own Funds. 1CU's MCR of £30.8m is fully covered by Tier 1 Own Funds.

Qualitative and Quantitative explanations of differences between Solvency II Own Funds and Equity in the Financial Statements:

Reconciliation of GAAP Retained Earnings to Solvency II Own Funds	2025	2024 (Unaudited)
GAAP Retained Earnings	221.9	197.5
Recognise Profit on Unearned Premium's (UPR)	19.7	22.1
Deduct Solvency II Risk Margin	(8.6)	(7.6)
Add Solvency II Technical Provision Discounting	13.6	12.2
Deduct Solvency II Run Off Provision and ENID's	(6.1)	(5.7)
Adjust for Deferred Tax	(1.7)	(2.0)
Other Solvency II Adjustments	(8.9)	(7.5)
Foreseeable Dividends	(30.0)	-
Solvency II Own Funds	199.9	209.0

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The final solvency capital requirement of 1CU is the aggregation of the market, counterparty, non-life and life underwriting risks, less a credit for diversification, an additional charge to represent the operational risks faced by 1CU and a capital add-on.

The SCR of 1CU as at 31st December 2025 was £123.0m (2024: £128.0m); its MCR as at 31st December 2025 was £30.8m (2023: £32.0m).

1CU Solvency Capital Requirement	31 st December 2025 £m	31 st December 2024 (Unaudited) £m
Market risk	17.1	18.3
Counterparty risk	28.0	27.6
Non-life underwriting risk	68.1	55.5
Life underwriting risk	0.3	0.3
Basic SCR diversification	(21.6)	(21.2)
Operational risk	21.5	23.9
Capital add-on	11.3	25.6
Adjustment for Loss Absorbing Capacity of Deferred Taxes	(1.7)	(2.0)
SOLVENCY CAPITAL REQUIREMENT	123.0	128.0

The reduction in the solvency capital requirement is primarily driven by a decrease in the capital add-on imposed market-wide by the GFSC to reflect the risks associated with sliding scale commissions that are present on reinsurance QS arrangements. The decrease comes as a result of a lower proportional reinsurance (RI) placement at the 2026 renewal), more favourable fixed commission terms achieved at renewal, observed loss ratio performance more in line with projections for the 2025 underwriting year and reduced volatility on the 2024 underwriting year as this becomes more developed.

Offsetting the decrease in the Capital Add On is an increase in Non-Life Underwriting Risk as a result of a combination of:

- An increase in reserve risk following reserve strengthening during 2025 and earn through of strong volume growth during the 2024 underwriting year;
- An increase in premium risk reflecting an increase in future net earned premiums following the reduction in QS cession over 2026; and
- An increase in catastrophe risk with a growing home book of business.

1CU is exposed to market risks derived predominantly from the assets held by 1CU to meet its insurance liabilities, although exposures to shocks in interest rates and currency rates are also considered in the exposure from underwriting risks.

1CU is exposed to counterparty risks in the form of cash deposits and recoveries from reinsurers (type 1) and from receivables from intermediaries, policyholders and other debtors (type 2). In line with guidance received from the GFSC in 2023, 1CU considers any amounts overdue from the customer to the intermediary or collected by the intermediary but not yet remitted to 1CU as subject to a Type 2 counterparty default risk loading regardless of whether they are within intragroup payment terms.

1CU is exposed to non-life underwriting risk as a result of the insurance policies it sells. The risks are based on volatility around earned premiums and claims reserves, and to catastrophe events to which 1CU may be exposed.

For the purposes of calculating the Solvency Capital Requirement under the Standard Formula, 1CU has applied a permitted simplification within the life underwriting lapse risk sub-module, using a lapse stress factor of 40%. This approach is consistent with PRA guidance on simplified lapse risk calculations, which allows the use of simplifications where the portfolio is sufficiently homogeneous, lapse behaviour is stable, and the resulting capital requirement is not material relative to the overall SCR. No further simplifications have been applied across other risk modules, which have been calculated in accordance with the full Standard Formula methodology.

There has been no use of undertaking specific parameters in the non-life underwriting risk calculations. The non-life diversification is defined within the standard formula calculation and reflects the fact that the individual non-life risk types are not 100% correlated and therefore a 1-in-200 shock on total non-life underwriting risk is significantly less than the sum of 1-in-200 shocks for the individual non-life sub-risk types.

1CU is exposed to life underwriting risk as a result of the settled PPOs. As at 31st December 2025, the gross undiscounted technical provisions associated with PPOs totalled £76.8 (2024: £77.4m) with no new PPO's awarded in the year. The life underwriting risk in respect of 1CU is immaterial.

1CU has also adjusted its Solvency Capital Requirement to allow for the Loss Absorbing Capacity of Deferred Taxes. The value of this adjustment is £(1.7m) at 31st December 2025, broadly in line with £(2.0m) for 2024. The inputs used to calculate the MCR of 1CU are as follows:

1CU Line of Business	Net (of reinsurance) written premiums in the last 12 months (£m)
Motor vehicle liability insurance	86.1
Other motor insurance	25.7
Fire and other damage insurance	0.9
TOTAL	112.7

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

Not applicable to 1CU.

E.4 Non-Compliance with the MCR and Non-Compliance with the SCR

1CU has maintained capital sufficient to meet its minimum capital requirement throughout the period covered by this report.

1CU met its SCR throughout the years ended 31st December 2025 and 31st December 2024, reporting a coverage ratio of 186.9% and 163.3% respectively before any foreseeable dividend. 31st December 2025 coverage ratio reduces to 162.5% once foreseeable dividends have been deducted from Own Funds.

E.5 Any Other Information

There is no other information to disclose.

GLOSSARY

Term	Definition
1CU	First Central Underwriting Limited
1CU AC	1CU Audit Committee
1CU Board	1CU Board of Directors
1CU CRC	1CU Conduct Risk Committee
1CU ManCo	1CU Management Committee
1CU OsCo	1CU Outsourcing Committee
1CU RC	1CU Reserves Committee
1CU RisCo	1CU Risk Committee
ABE	Actuarial Best Estimate
Adjusted EBITDA	Earnings Before Interest Taxes Depreciation and Amortisation adjusted for non-controlling interest, share based payments and any exceptional one-off costs
AFH	Actuarial Function Holder
AQRTs	Annual Quantitative Reporting Templates
Boards	The Board of Directors of FCG and 1CU
ECR	Economic Capital Requirement
ENID	Events Not In Data
ExCo	Group Executive Committee
FCA	Financial Conduct Authority
FCG	First Central Group Limited
FCIM	First Central Insurance Management Limited
FCS (UK)	First Central Services (UK) Limited
FCS(Gsy)	First Central Services (Guernsey) Limited
GAAP	Generally Accepted Accounting Principles
GAC	Group Audit Committee
GFSC	Gibraltar Financial Services Commission
GIAC	Group Internal Audit Charter
GIC	Group Investment Committee
GWP	Gross Written Premium
IBNR	Claims Incurred But Not Reported
ISO 31000	Risk Management Framework from the International Organization for Standardization
KPIs	Key Risk Indicators
ManCo	Management Committee
MCR	Minimum Capital Requirement
MMF	Money Market Funds
NED	Non-Executive Director
ORSA	Own Risk Solvency Assessment
OSLR	Outstanding loss reserves
PRA	Prudential Regulatory Authority
QS	Quota Share Reinsurance
RemNomCo	Remuneration and Nomination Committee
RM	Risk Management
RM Framework	The detailed processes and structures of the Group's approach to Risk Management

Risk Owner	Person with the accountability and authority to manage a Risk
1CU PGC	1CU Product Governance Committee
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
XoL	Excess of Loss Reinsurance

1CU QUANTITATIVE REPORTING TEMPLATE

General information

Entity name	FIRST CENTRAL UNDERWRITING LIMITED
Entity identification code and type of code	LEI/213800Y5XIR6CQ9RCD68
Type of undertaking	Non-life undertakings
Country of incorporation	GI
Language of reporting	en
Reporting reference date	31 December 2025
Currency used for reporting	GBP
Accounting standards	Local GAAP
Method of Calculation of the SCR	Standard formula
Matching adjustment	No use of matching adjustment
Volatility adjustment	No use of volatility adjustment
Transitional measure on the risk-free interest rate	No use of transitional measure on the risk-free interest rate
Transitional measure on technical provisions	No use of transitional measure on technical provisions

List of reported templates

-

IR.02.01.02 - Balance sheet

IR.05.02.01 - Premiums, claims and expenses by country: Non-life obligations

IR.05.02.01 - Premiums, claims and expenses by country: Life obligations

IR.05.04.02 - Non-life income and expenditure : reporting period

IR.12.01.02 - Life technical provisions

IR.17.01.02 - Non-Life Technical Provisions

IR.19.01.21 - Non-Life insurance claims

IR.23.01.01 - Own Funds

IR.25.04.21 - Solvency Capital Requirement

IR.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

IR.02.01.02

Balance sheet

	Solvency II value
	C0010
Assets	
R0030 Intangible assets	
R0040 Deferred tax assets	0
R0050 Pension benefit surplus	
R0060 Property, plant & equipment held for own use	159
R0070 Investments (other than assets held for index-linked and unit-linked contracts)	233,861
R0080 <i>Property (other than for own use)</i>	0
R0090 <i>Holdings in related undertakings, including participations</i>	0
R0100 <i>Equities</i>	0
R0110 <i>Equities - listed</i>	
R0120 <i>Equities - unlisted</i>	
R0130 <i>Bonds</i>	0
R0140 <i>Government Bonds</i>	0
R0150 <i>Corporate Bonds</i>	0
R0160 <i>Structured notes</i>	0
R0170 <i>Collateralised securities</i>	0
R0180 <i>Collective Investments Undertakings</i>	232,429
R0190 <i>Derivatives</i>	1,432
R0200 <i>Deposits other than cash equivalents</i>	0
R0210 <i>Other investments</i>	0
R0220 Assets held for index-linked and unit-linked contracts	
R0230 Loans and mortgages	35,372
R0240 <i>Loans on policies</i>	0
R0250 <i>Loans and mortgages to individuals</i>	
R0260 <i>Other loans and mortgages</i>	35,372
R0270 Reinsurance recoverables from:	613,712
R0280 <i>Non-life and health similar to non-life</i>	580,811
R0315 <i>Life and health similar to life, excluding index-linked and unit-linked</i>	32,901
R0340 <i>Life index-linked and unit-linked</i>	0
R0350 Deposits to cedants	0
R0360 Insurance and intermediaries receivables	77,889
R0370 Reinsurance receivables	0
R0380 Receivables (trade, not insurance)	
R0390 Own shares (held directly)	
R0400 Amounts due in respect of own fund items or initial fund called up but not yet paid in	0
R0410 Cash and cash equivalents	54
R0420 Any other assets, not elsewhere shown	69,945
R0500 Total assets	1,030,992

		Solvency II value
		C0010
Liabilities		
R0505	Technical provisions - total	735,975
R0510	<i>Technical provisions - non-life</i>	701,955
R0515	<i>Technical provisions - life</i>	34,020
R0542	Best estimate - total	727,373
R0544	<i>Best estimate - non-life</i>	693,403
R0546	<i>Best estimate - life</i>	33,970
R0552	Risk margin - total	8,602
R0554	<i>Risk margin - non-life</i>	8,552
R0556	<i>Risk margin - life</i>	50
R0565	Transitional (TMTP) - life	0
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	1,710
R0790	Derivatives	0
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	63,423
R0850	Subordinated liabilities	0
R0860	<i>Subordinated liabilities not in Basic Own Funds</i>	
R0870	<i>Subordinated liabilities in Basic Own Funds</i>	0
R0880	Any other liabilities, not elsewhere shown	
R0900	Total liabilities	801,108
R1000	Excess of assets over liabilities	229,884

IR.05.02.01

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

	C0010	C0020	C0030	C0040	C0050	C0060	C0070
	Home Country	Top 5 countries (by amount of gross premiums written)					Total Top 5 and home country
		GB					
	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written							
R0110 Gross - Direct Business		663,804					663,804
R0120 Gross - Proportional reinsurance accepted							0
R0130 Gross - Non-proportional reinsurance accepted							0
R0140 Reinsurers' share		550,525					550,525
R0200 Net	0	113,279					113,279
Premiums earned							
R0210 Gross - Direct Business		715,813					715,813
R0220 Gross - Proportional reinsurance accepted							0
R0230 Gross - Non-proportional reinsurance accepted							0
R0240 Reinsurers' share		603,989					603,989
R0300 Net	0	111,824					111,824
Claims incurred							
R0310 Gross - Direct Business		678,054					678,054
R0320 Gross - Proportional reinsurance accepted							0
R0330 Gross - Non-proportional reinsurance accepted							0
R0340 Reinsurers' share		503,813					503,813
R0400 Net	0	174,241					174,241
R0550 Net expenses incurred							
		-15,996					-15,996

IR.05.02.01

Premiums, claims and expenses by country: Life obligations

		C0150	C0160	C0170	C0180	C0190	C0200	C0210
		Home Country	Top 5 countries (by amount of gross premiums written)					Total Top 5 and home country
			GB					
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
R1400	Gross							0
R1420	Reinsurers' share							0
R1500	Net	0	0					0
Premiums earned								
R1510	Gross							0
R1520	Reinsurers' share							0
R1600	Net	0	0					0
Claims incurred								
R1610	Gross		3,956					3,956
R1620	Reinsurers' share		3,956					3,956
R1700	Net	0	0					0
R1900	Net expenses incurred							0

IR.05.04.02

Non-life income and expenditure : reporting period

Non-life insurance and accepted proportional reinsurance obligations											Accepted non-proportional reinsurance				Annuities stemming from non-life insurance contracts	Annuities stemming from non-life accepted reinsurance contracts			
General liability insurance				Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation and transport	Property								
Employers Liability	Public & products Liability	Professional Indemnity	Other general liability									C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
Income																			
Premiums written																			
R0110	Gross written premiums																		
R0111	Gross written premiums - Insurance (direct)																		
R0113	Gross written premiums - accepted reinsurance																		
R0160	Net written premiums																		
Premiums earned and provision for unearned																			
R0210	Gross earned premiums																		
R0220	Net earned premiums																		
Investments and other income																			
R0435	Investment income and investment gains / (losses)																		
R0440	Other income																		
R0510	Total income																		
Expenditure																			
Claims incurred																			
R0610	Gross (undiscounted) claims incurred																		
R0611	Gross (undiscounted) direct business																		
R0612	Gross (undiscounted) reinsurance accepted																		
R0690	Net (undiscounted) claims incurred																		
R0730	Net (discounted) claims incurred																	0	0
Analysis of expenses incurred																			
R0910	Technical expenses incurred net of reinsurance ceded																		
R0985	Acquisition costs, commissions, claims management costs																	17	0
Other expenditure																			
R1130	Taxation																		
R1310	Total expenditure																		
Other income or expenditure																			
R1610	Other comprehensive income																		
R1620	Total comprehensive income in the period																		

IR.12.01.02
Life technical provisions

Best estimate
R0025 Gross Best Estimate (direct business)
R0026 Gross Best Estimate (reinsurance accepted)
R0030 Gross Best Estimate
R0080 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default
R0090 Best estimate minus recoverables from reinsurance/SPV and Finite Re
R0100 Risk margin
Amount of the transitional on Technical Provisions
R0140 TMTP - risk margin
R0150 TMTP - best estimate dynamic component
R0160 TMTP - best estimate non-dynamic component
R0170 TMTP - amortisation adjustment
R0180 Transitional Measure on Technical Provisions
R0200 Technical provisions - total

Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
C0010	C0020	C0030	C0040	C0050	C0060	C0070
			33,970			33,970
						0
0	0	0	33,970	0	0	33,970
			32,901			32,901
0	0	0	1,068	0	0	1,068
			50			50
						0
						0
						0
0	0	0	0	0	0	0
0	0	0	34,019	0	0	34,019

IR.19.01.21
Non-Life insurance claims

Total Non-life business

Z0020 Accident year / underwriting year Underwriting year

Gross Claims Paid (non-cumulative) (absolute amount)														
Year	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180	
	Development year										In Current year	Sum of years (cumulative)		
	0	1	2	3	4	5	6	7	8	9	10 & +			
R0100	Prior										3,670	3,670	3,670	
R0160	-9	21,847	61,146	23,869	20,721	16,239	6,389	4,781	7,863	792	611	611	164,258	
R0170	-8	27,574	71,289	25,145	19,581	11,181	5,431	2,270	801	969		969	164,241	
R0180	-7	33,559	80,059	26,242	21,419	16,116	25,829	9,581	712			712	213,517	
R0190	-6	38,133	64,869	24,501	16,185	14,363	3,594	6,837				6,837	168,482	
R0200	-5	38,459	99,286	29,309	20,905	13,614	7,078					7,078	208,651	
R0210	-4	70,029	176,694	48,818	37,323	36,786						36,786	369,650	
R0220	-3	102,694	231,783	56,529	46,794							46,794	437,800	
R0230	-2	120,024	206,814	62,954								62,954	389,792	
R0240	-1	114,667	215,695									215,695	330,362	
R0250	0	108,815										108,815	108,815	
R0260												Total	490,921	2,559,238

Gross Undiscounted Best Estimate Claims Provisions (absolute amount)													
Year	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360	
	Development year										Year end (discounted data)		
	0	1	2	3	4	5	6	7	8	9	10 & +		
R0100	Prior											-4,365	-4,290
R0160	-9	81,970	112,335	70,268	51,103	26,670	17,049	12,859	5,118	4,092	3,166		3,111
R0170	-8	72,374	87,221	59,416	35,904	22,934	21,910	27,744	24,187	23,568			23,162
R0180	-7	117,731	94,556	66,785	47,879	46,883	23,423	15,386	4,969				4,884
R0190	-6	125,932	67,011	41,971	29,206	15,599	17,950	13,515					12,875
R0200	-5	71,273	80,761	39,516	22,004	11,670	9,776						9,250
R0210	-4	121,210	119,043	68,487	63,578	42,093							39,084
R0220	-3	147,258	158,438	113,144	128,004								119,195
R0230	-2	143,826	226,002	194,134									179,800
R0240	-1	184,054	230,535										212,470
R0250	0	194,245											179,057
R0260												Total	778,598

Gross premium			
	C0570	C0580	
	Gross earned premium at reporting reference date	Estimate of future gross earned premium	
R0160	N-9	144,735	0
R0170	N-8	214,373	0
R0180	N-7	206,554	0
R0190	N-6	198,755	0
R0200	N-5	291,908	0
R0210	N-4	398,116	0
R0220	N-3	520,083	0
R0230	N-2	634,805	0
R0240	N-1	786,167	0
R0250	N	342,856	342,879

IR.23.01.01
Own Funds

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

Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
C0010	C0020	C0030	C0040	C0050
81,865	81,865		0	
0	0		0	
0	0		0	
0		0	0	0
0	0			
0		0	0	0
0		0	0	0
118,019	118,019			
0		0	0	0
0				0
0	0	0	0	0
0				
199,884	199,884	0	0	0
0				
0				
0				
0				
0				
0				
0			0	0
199,884	199,884	0	0	0
199,884	199,884	0	0	
199,884	199,884	0	0	0
199,884	199,884	0	0	
123,005				
30,751				
162.50%				
650.01%				
C0060				
229,884				
0				
30,000				
81,865				
0				
118,019				

IR.25.04.21

Solvency Capital Requirement

Net of loss absorbing capacity of technical provisions

		C0010
Market risk		
R0070	Interest rate risk	0
R0080	Equity risk	91
R0090	Property risk	0
R0100	Spread risk	6,451
R0110	Concentration risk	15,541
R0120	Currency risk	1,785
R0125	Other market risk	
R0130	Diversification within market risk	-6,749
R0140	Total Market risk	17,119
Counterparty default risk		
R0150	Type 1 exposures	13,813
R0160	Type 2 exposures	16,103
R0165	Other counterparty risk	
R0170	Diversification within counterparty default risk	-1,920
R0180	Total Counterparty default risk	27,996
Life underwriting risk		
R0190	Mortality risk	0
R0200	Longevity risk	281
R0210	Disability-Morbidity risk	0
R0220	Life-expense risk	0
R0230	Revision risk	0
R0240	Lapse risk	0
R0250	Life catastrophe risk	0
R0255	Other life underwriting risk	
R0260	Diversification within life underwriting risk	0
R0270	Total Life underwriting risk	281
Health underwriting risk		
R0280	Health SLT risk	
R0290	Health non SLT risk	
R0300	Health catastrophe risk	
R0305	Other health underwriting risk	
R0310	Diversification within health underwriting risk	
R0320	Total Health underwriting risk	0
Non-life underwriting risk		
R0330	Non-life premium and reserve risk (ex catastrophe risk)	65,364
R0340	Non-life catastrophe risk	8,833
R0350	Lapse risk	1
R0355	Other non-life underwriting risk	
R0360	Diversification within non-life underwriting risk	-6,087
R0370	Non-life underwriting risk	68,111
R0400	Intangible asset risk	
Operational and other risks		
R0422	Operational risk	21,474
R0424	Other risks	
R0430	Total Operational and other risks	21,474
R0432	Total before all diversification	149,737
R0434	Total before diversification between risk modules	134,981
R0436	Diversification between risk modules	-21,573
R0438	Total after diversification	113,409
R0440	Loss absorbing capacity of technical provisions	
R0450	Loss absorbing capacity of deferred tax	-1,710
R0455	Other adjustments	
R0460	Solvency capital requirement including undisclosed capital add-on	111,699
R0472	Disclosed capital add-on - excluding residual model limitation	11,306
R0474	Disclosed capital add-on - residual model limitation	
R0480	Solvency capital requirement including capital add-on	123,005
R0490	Biting interest rate scenario	increase
R0495	Biting life lapse scenario	

