

First Central Underwriting Limited

Combined Solvency and Financial Condition Report

For year ended 31st December 2025

TABLE OF CONTENTS

| | |
|---|-----------|
| INTRODUCTION | 3 |
| EXECUTIVE SUMMARY | 4 |
| A - BUSINESS AND PERFORMANCE | 7 |
| A.1 BUSINESS | 7 |
| A.2 UNDERWRITING PERFORMANCE | 9 |
| A.3 INVESTMENT PERFORMANCE | 10 |
| A.4 PERFORMANCE OF OTHER ACTIVITIES | 10 |
| A.5 ANY OTHER INFORMATION | 10 |
| B - SYSTEM OF GOVERNANCE | 11 |
| B.1. GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE | 11 |
| B.2 FIT AND PROPER REQUIREMENTS | 15 |
| B.3 RISK MANAGEMENT SYSTEM | 16 |
| B.4 OWN RISK SOLVENCY ASSESSMENT ('ORSA' OR 'THE ASSESSMENT') | 17 |
| B.5 INTERNAL CONTROL SYSTEM | 17 |
| B.6 INTERNAL AUDIT FUNCTION | 19 |
| B.7 ACTUARIAL FUNCTION | 19 |
| B.8 OUTSOURCING | 20 |
| B.9 ASSESSMENT OF THE ADEQUACY OF THE SYSTEM OF GOVERNANCE | 21 |
| B.10 ANY OTHER INFORMATION | 21 |
| C - RISK PROFILE | 22 |
| C.1 UNDERWRITING RISK | 22 |
| C.2 MARKET RISK | 24 |
| C.3 CREDIT RISK | 25 |
| C.4 LIQUIDITY RISK | 25 |
| C.5 OPERATIONAL RISK | 25 |
| C.6 OTHER MATERIAL RISKS | 27 |
| C.7 ANY OTHER INFORMATION | 27 |
| D - VALUATION FOR SOLVENCY PURPOSES | 28 |
| D.1 ASSETS | 28 |
| D.2 TECHNICAL PROVISIONS | 29 |
| D.3 OTHER LIABILITIES | 31 |
| D.4 ALTERNATIVE METHODS FOR VALUATION | 32 |
| D.5 ANY OTHER INFORMATION | 32 |
| E - CAPITAL MANAGEMENT | 33 |
| E.1 OWN FUNDS | 33 |
| E.2 SOLVENCY CAPITAL REQUIREMENTS AND MINIMUM CAPITAL REQUIREMENTS | 34 |
| E.3. USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT | 36 |
| E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED | 36 |
| E.5 NON-COMPLIANCE WITH THE MCR AND NON-COMPLIANCE WITH THE SCR | 36 |
| E.6 ANY OTHER INFORMATION | 36 |
| GLOSSARY | 37 |
| 1CU QUANTITATIVE REPORTING TEMPLATE | 39 |

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.

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, closely correlated insurance income and insurance related expenses) was 90.4% for 2025 (91.6% for 2024). 1CU's profit before tax for 2025 was £28.6m (2024: £25.5m).

1CU's investment income in 2025 (net of management fees) was £11.6m (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.

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% (2024: own funds £209m, SCR £128m, and SCR coverage 163.3%).

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: 10 April 2026

A - BUSINESS AND PERFORMANCE

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
www.deloitte.com

Contact details of the supervisory authority

Gibraltar Financial Services Commission

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

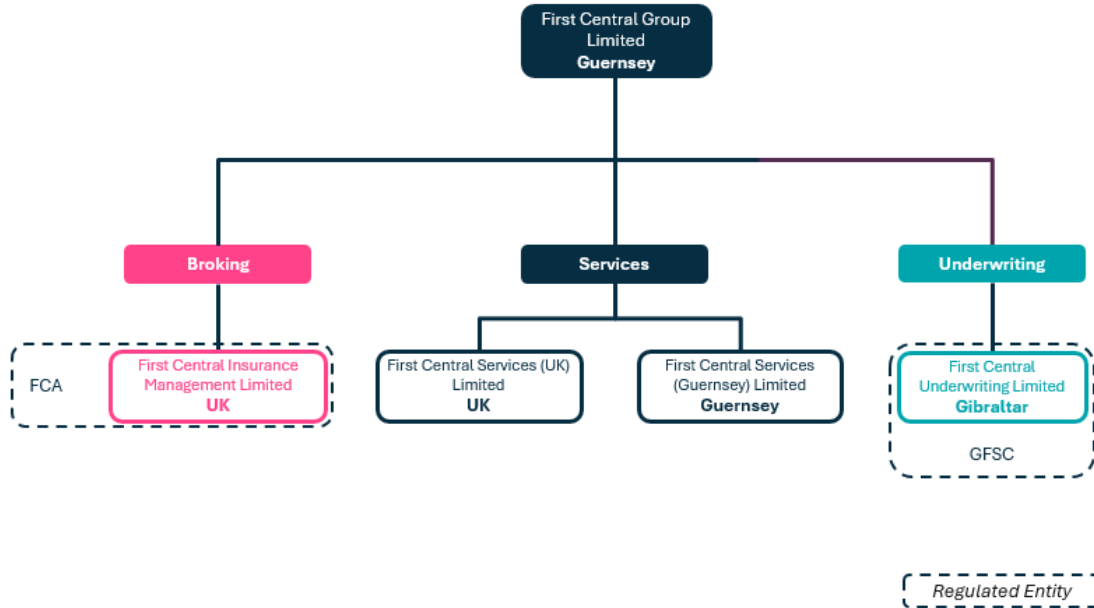
FCG shareholders with qualifying holdings (>10%)

First Central Group Limited (100%)

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 (Gsy)') | 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 [$\sim 10\%$] 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 higher than 2024, 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, insurance related income and expenses) was 90.4% for 2025 (91.6% for 2024). Insurance related income includes Premium Finance, Fee Income and Claims Income. Insurance related expenses include items such as Acquisition, Claims Handling and Regulatory Fees.

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 | |
|--|---------------------------|---------------------------|
| | 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 | 11.7 | 9.6 |
| Investment expenses and charges | (0.1) | (0.2) |
| Profit before tax | 28.6 | 25.5 |
| Tax | (4.1) | (3.9) |
| Profit after tax | 24.5 | 21.6 |

A.3 Investment Performance

1CU's investment income (net of management fees) in 2025 was £11.6m (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 | 11.6 | 9.4 |

A.4 Performance of Other Activities

Nothing to report.

A.5 Any Other Information

Nothing to report.

B - SYSTEM OF GOVERNANCE

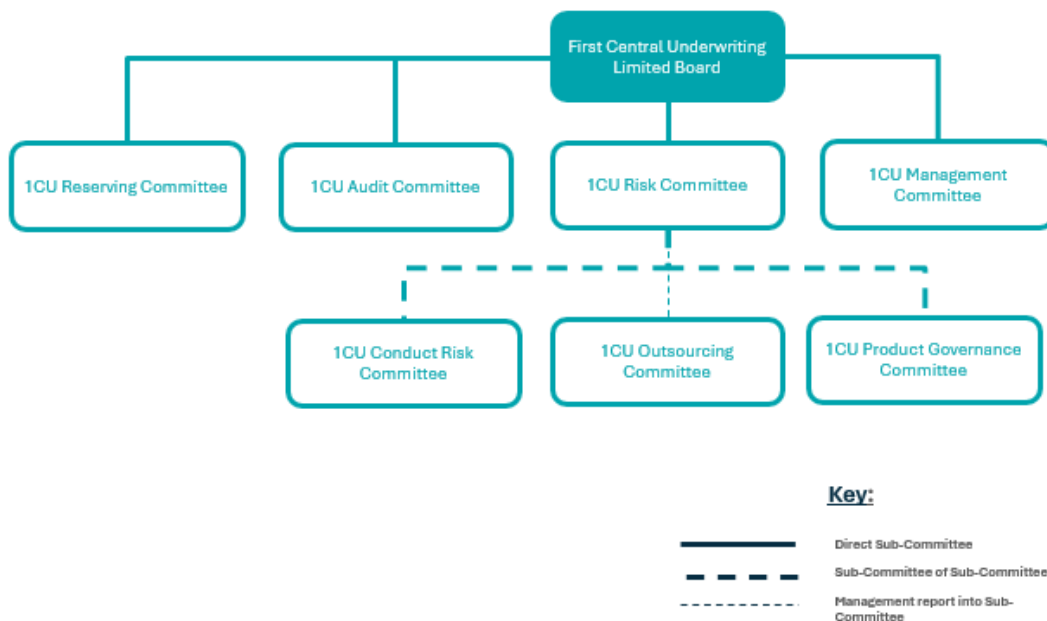
B.1. General Information on the System of Governance

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 Audit Committee (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 Risk Committee (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 Conduct Risk Committee (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.

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 amounts 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

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.

B.4 Own Risk Solvency Assessment ('ORSA' or 'the Assessment')

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 FCG and 1CU 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 its own internal models, which are deemed to be prudent, and is 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) and the ECR (from the ORSA), 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.5 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.6 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.7 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.8 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.9 Assessment of the Adequacy of the System of Governance

1CU aims to continuously improve the system of governance by reviewing, evaluating, and recommending enhancements to the Board at least annually. These improvements cover enhancing and developing the systems, including the outcomes from compliance monitoring programme, root cause analysis from complaints, breaches and incidents, and incremental development as the systems mature. It considers relevant industry advice and guidelines, implementing these as appropriate for its size and complexity.

Internal and external audits provide independent evaluation of the system of governance, and any findings and recommendations are implemented in a manner proportionate to risk profile.

The 1CU Board and principal committees undertake an annual review of their effectiveness by completing an Annual Governance Framework Survey.

B.10 Any Other Information

Nothing to report.

C - RISK PROFILE

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.

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, which also has 1CU delegated oversight of investments and 1CU directors as members, to ensure 1CU's interests are adequately overseen. 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.

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. The Board continues to monitor ongoing developments in respect of GAR.

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. The Boards continue to monitor the ongoing changes around any potential border frictions.

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 |
| 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) | 69.9 | 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 | 1,956.1 | 1,814.9 | (925.1) | (987.1) | 1,031.0 | 827.8 |

The valuation principles applied to 1CU's assets are consistent with those used in the GAAP accounts, with the following exceptions:

- Reinsurance share of unearned premiums: the reinsurance share of unearned premiums reserve comprises the reinsurers' share of the gross premiums written which is to be earned in the following or subsequent financial years in the GAAP accounts. The unearned premiums are not recognised for solvency purposes, and instead the expected claims arising on the unearned premiums are recorded within the reinsurance share of technical provisions;
- Insurance and Reinsurance Receivables: This comprises amounts due from customers, intermediaries and reinsurers relating to insurance business. These are transferred to gross / reinsurance share of technical provisions under Solvency II.
- Reinsurance share of claims reserves: the reinsurance share of claims reserves comprises the reinsurers' share of the claims outstanding (including claims which are estimated to have been incurred but not reported) as at 31st December 2025.
- An investment relating to property development is classified as another asset for GAAP accounting purposes but treated as a loan under Solvency II, and revalued using Discounted Cash Flows
- Deferred acquisition costs: on the Solvency II balance sheet these have been valued at nil; and

- Deferred tax asset/liability: on the Solvency II balance sheet these are valued based on the expected tax benefit or expense once the valuation adjustments to transition to solvency valuations unwind.

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 | 2025 | 2024 | 2025 | 2024 |
| 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 | 8.6 | 7.6 | 736.0 | 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 | 8.6 | Solvency II Risk Margin |
| Other Solvency II Adjustments | 2.8 | SII Run Off Provision, BBNI, etc |
| Gross SII Technical Provisions | 736.0 | |

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 | | |
|--|---------------------|-------------------------|----------------|---------------------|-------------------------|----------------|
| | 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 |

The valuation principles applied to 1CU's assets are consistent with those used in the GAAP accounts, with the following exceptions:

- Reinsurance accounts payable: This represents premiums and commissions due to reinsurance partners and is included within Reinsurance Technical Provisions for Solvency II
- Deferred income: Commission on unearned exposure from reinsurance partners based on Best Estimate loss ratio performance, transferred to Reinsurance Technical Provisions under Solvency II
- Other Credits, including corporation tax and IPT: immaterial valuation adjustments

- Deferred tax liabilities: This represents profits realised under Solvency II that have not yet been included in the tax results

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 | |
|---------------------------------|------|--------------------------------|------------|--------------------------------|------------|
| | | £m | % | £m | % |
| Share capital and share premium | 1 | 81.9 | 35.6 | 81.9 | 39.2 |
| Reconciliation reserve | 1 | 148.0 | 64.4 | 127.1 | 60.8 |
| Deferred tax asset | 3 | - | - | - | - |
| | | 229.9 | 100 | 209.0 | 100 |

1CU's SCR of £123.0 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 |
|--|--------------|--------------|
| GAAP Retained Earnings | 221.9 | 197.5 |
| Recognise Profit on Unearned Premium's (UPR) PRSde | 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) |
| Solvency II Own Funds | 229.9 | 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 | 31st December 2025 | 31st December 2024 |
|--|--------------------------------------|--------------------------------------|
| | £m | £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.

1CU has used a simplification for lapse risk in applying the standard formula but no further simplifications have been used. 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. Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

Not applicable to 1CU.

E.4 Differences between the standard formula and any internal model used

Not applicable to 1CU.

E.5 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.

E.6 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: | 613,713 |
| 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 |
| R0010 | | 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 | 111,823 | | | | 111,823 |
| 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 | | | | | | | | |
| R1410 | 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 | 34,020 | 0 | 0 | 34,020 |

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 | 164,240 | |
| R0180 | -7 | 33,559 | 80,059 | 26,242 | 21,419 | 16,116 | 25,829 | 9,581 | 712 | | | 712 | 213,518 | |
| 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 | 208,652 | |
| R0210 | -4 | 70,029 | 176,694 | 48,818 | 37,323 | 36,786 | | | | | | 36,786 | 369,651 | |
| 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 | 330,363 | |
| R0250 | 0 | 108,815 | | | | | | | | | | 108,815 | 108,815 | |
| R0260 | | | | | | | | | | | | Total | 490,921 | 2,559,241 |

| 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 | |
| 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 | 778,597 |

| 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 |
| 148,019 | 148,019 | | | |
| 0 | | 0 | 0 | 0 |
| 0 | | | | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | 0 | 0 |
| 229,884 | 229,884 | 0 | 0 | 0 |
| 229,884 | 229,884 | 0 | 0 | |
| 229,884 | 229,884 | 0 | 0 | 0 |
| 229,884 | 229,884 | 0 | 0 | |
| 123,005 | | | | |
| 30,751 | | | | |
| 186.89% | | | | |
| 747.56% | | | | |
| C0060 | | | | |
| 229,884 | | | | |
| 0 | | | | |
| | | | | |
| | | | | |
| 81,865 | | | | |
| 0 | | | | |
| 148,019 | | | | |

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 | 68,112 |
| 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 | 149,738 |
| R0434 Total before diversification between risk modules | 134,982 |
| 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 | |

IR.28.01.01

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

Linear formula component for non-life insurance and reinsurance obligations

R0010 MCR_{NL} Result

C0010

| |
|--------|
| 21,486 |
|--------|

| Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance) written premiums in the last 12 months |
|---|---|
|---|---|

C0020

C0030

- R0020 Medical expense insurance and proportional reinsurance
- R0030 Income protection insurance and proportional reinsurance
- R0040 Workers' compensation insurance and proportional reinsurance
- R0050 Motor vehicle liability insurance and proportional reinsurance
- R0060 Other motor insurance and proportional reinsurance
- R0070 Marine, aviation and transport insurance and proportional reinsurance
- R0080 Fire and other damage to property insurance and proportional reinsurance
- R0090 General liability insurance and proportional reinsurance
- R0100 Credit and suretyship insurance and proportional reinsurance
- R0110 Legal expenses insurance and proportional reinsurance
- R0120 Assistance and proportional reinsurance
- R0130 Miscellaneous financial loss insurance and proportional reinsurance
- R0140 Non-proportional health reinsurance
- R0150 Non-proportional casualty reinsurance
- R0160 Non-proportional marine, aviation and transport reinsurance
- R0170 Non-proportional property reinsurance

| | |
|---------|--------|
| 0 | |
| 0 | |
| 0 | |
| 134,080 | 86,116 |
| 0 | 25,699 |
| 0 | |
| 0 | 890 |
| 0 | |
| 0 | |
| 0 | |
| 0 | |
| 0 | |
| 0 | |
| 0 | |
| 0 | |
| 0 | |

Linear formula component for life insurance and reinsurance obligations

R0200 MCR_L Result

C0040

| |
|---|
| 0 |
|---|

| Net (of reinsurance/SPV) best estimate and TP calculated as a whole | Net (of reinsurance/SPV) total capital at risk |
|---|--|
|---|--|

C0050

C0060

- R0210 Obligations with profit participation - guaranteed benefits
- R0220 Obligations with profit participation - future discretionary benefits
- R0230 Index-linked and unit-linked insurance obligations
- R0240 Other life (re)insurance and health (re)insurance obligations
- R0250 Total capital at risk for all life (re)insurance obligations

| | |
|--|--|
| | |
| | |
| | |
| | |

Overall MCR calculation

- R0300 Linear MCR
- R0310 SCR
- R0320 MCR cap
- R0330 MCR floor
- R0340 Combined MCR
- R0350 Absolute floor of the MCR
- R0400 **Minimum Capital Requirement**

C0070

| |
|---------|
| 21,486 |
| 123,005 |
| 55,352 |
| 30,751 |
| 30,751 |
| 3,500 |
| 30,751 |