

ISSUED 10 September 2026

PROVIDER SECTOR
Transact

FINANCIAL STRENGTH ASSESSMENT

Analysis by **AKG Financial Analytics Ltd**
Accessible • Comparative • Independent

AKG



ABOUT THIS FINANCIAL STRENGTH ASSESSMENT

This AKG report and the analysis and ratings contained within it provide assessment of financial strength and associated considerations. Financial Strength is focused on the ability of a company to deliver ongoing operational capability in the interest of its customers and in line with their fairly held expectations. AKG's perspective in the assessment of financial strength is wholly that of a customer of a product or service. From that foundation, this analysis is specifically designed to inform financial advisers and assist in their required understanding of a company's operational financial strength.

Given the underlying customer perspective, the financial strength of companies needs to be focused at an operational level (i.e. the elements and functions of an organisation which operate to specifically deliver and manage a proposition or service to the customer), specifically on the company that is effecting the product or service that a customer is selecting. This is important, because from the customer's perspective it is that company that needs to survive in a form that maintains the requisite operational characteristics to meet their fairly held requirements. And it is thus at this level that the selection needs of the customers' advisers must be met. This contrasts to credit rating, which will be undertaken at group or parent company level where investment or debt placement etc. is made.

Further details on how analysis is undertaken is provided at the end of this report and may also be obtained from AKG.



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Rating & Assessment Commentary



RATINGS

Overall Financial Strength



Supporting Ratings

	Service	Image & Strategy	Business Performance
Integralife UK Ltd	★★★★★	★★★★★	★★★★★



SUMMARY

- Integralife UK Ltd (ILUK) is the PRA-authorised and FCA-regulated UK life insurer through which Transact provides investment-linked pension and onshore bond wrappers
- ILUK is wholly owned by IntegraFin Holdings plc (IHP) and operates as one of the three principal regulated entities supporting Transact
- ILUK's funds under direction (FUD) increased by 16% to £29.9bn at 30 September 2025 [2024: £25.7bn], supported by positive net inflows and investment market movements; policies in force increased by 6% to 114,696
- Across the wider Transact platform, total FUD increased to £74.2bn as at 30 September 2025 [2024: £64.1bn], this figure including pensions (SIPP and personal pension wrappers), General Investment Accounts (GIAs), onshore and offshore bonds, and other wrappers and legacy products
- ILUK gross inflows increased to £3.3bn [£2.7bn], while outflows remained broadly stable at £1.6bn; net inflows therefore increased to £1.7bn
- ILUK's Solvency Capital Requirement (SCR) coverage ratio reduced modestly to 133% [2024: 136%]. Eligible Own Funds increased to £326.4m [£313.1m], while the SCR increased to £244.8m [£229.5m], leaving surplus regulatory capital of £81.7m [£83.6m]
- Profit after tax (PAT) for ILUK increased to £35.5m, and net assets increased to £60.8m; dividends of £25.3m were paid during FY25 and a further £27.4m interim dividend was declared after the year end
- IHP group revenue increased by 8% to £156.8m and underlying profit before tax (PBT) increased by 7% to £75.4m
- Positive momentum continued into FY26, with Q3 results reporting net inflows of £3.4bn, client numbers exceeding 256,000 and FUD increasing to £85.5bn
- Transact retains a strong position in the adviser platform market, supported by proprietary technology, personal service, extensive adviser relationships and high levels of external adviser satisfaction
- Current strategic priorities include platform digitalisation, further integration with adviser back-office and financial planning systems, improved access to platform data and securing operating efficiencies as the business grows
- ILUK's principal sensitivities remain the level of standalone solvency headroom, the level of pension assets administered (FUD). and reliance on other group companies for administration, technology and control functions



COMMENTARY

Financial Strength Ratings

The IHP group provides important financial, strategic and operational support to ILUK, and remained profitable and cash-generative during FY25. The group business model comprises of two propositions (Transact, the adviser platform, and CURO, a CRM system) which integrate across advice firm software ecosystems, with the group stating that this offers what the business describes as a 'compelling joint proposition' for advice firms that use both propositions. The Transact platform, in its widest sense, contributed 97% of IHP group revenue during 2025, and ILUK is integral to the Transact proposition rather than a peripheral subsidiary.

The group held combined regulatory capital resources of over £470m as at year end 30 September 2025, and its liquid assets (cash, cash equivalents and UK gilts) have been maintained at over £200m for the past two financial years. The IHP balance sheet carries no external debt.

IntegraLife UK Ltd

ILUK is authorised by the PRA to undertake long-term insurance business and is regulated by both the PRA and the FCA. Its business comprises unit-linked pensions, onshore bonds and a small closed population of Qualifying Savings Plans distributed exclusively through Transact. The entity operates a relatively capital-efficient model. Policyholder assets of £29.9bn were substantially matched by corresponding investment contract liabilities, limiting direct asset-liability mismatch risk. Its principal financial exposure is therefore the effect of markets and customer behaviour on fee income, expenses, the value of in-force business and regulatory capital.

As at 30 September 2025, ILUK reported Eligible Own Funds (EOF) of £326.4m [2024: £313.1m] against an SCR of £244.8m [£229.5m]. The resulting SCR coverage ratio was 133% [136%], with surplus regulatory capital of £81.7m [£83.6m]. EOF consisted entirely of unrestricted Tier 1 capital. ILUK used the Standard Formula without transitional measures or undertaking-specific parameters and remained compliant with both the SCR and MCR (Minimum Capital Requirement). The modest reduction in coverage in 2025 did not reflect weaker trading. Portfolio movements and methodology changes were more than offset by dividends paid and foreseeable, which reduced coverage by 16 percentage points, and economic assumption changes. The SCR increased by 7%, reflecting business growth and changes in economic and actuarial inputs. Market risk remained the largest undiversified risk component, followed by life underwriting risk, although diversification and the loss-absorbing capacity of deferred tax materially reduced the final requirement.

Internal capital generation remains supportive. PAT increased by 18% to £35.5m and Own Funds increased by £13.3m despite payment of a £25.3m dividend. A further £27.4m interim dividend was declared in December 2025, reinforcing the importance of dividend policy to the level of retained solvency headroom. ILUK reported cash and cash equivalents of £108.6m. However, £69.9m was held in respect of policyholder tax provisions and will ultimately be paid to HMRC or returned to policyholders. The remaining shareholder liquidity is supplemented by short-dated UK government securities and other liquid assets.

ILUK has no employees and depends on Integrated Financial Arrangements Ltd (IFAL) and IntegraFin Services Ltd (ISL) for administration, custody, technology, policy servicing and control functions. This dependency is moderated by common ownership, formal intra-group agreements and ILUK's strategic importance to Transact. No explicit parental guarantees or committed capital facilities are in place.

ILUK's financial strength is supported by consistent profitability, strong liquidity, positive organic flows and its strategically important role within a profitable and cash-generative group. Its predominantly unit-linked model also limits direct exposure to policyholder investment losses because the related assets and liabilities are substantially matched. ILUK benefits from profitability, liquidity, positive flows and wider group strength, but these are balanced by comparatively managed standalone solvency headroom and dependence on FUD-related income and group-provided operational services. Material entity-specific risks include reductions in FUD-linked revenue following adverse markets, increased withdrawals, expense inflation, limited mortality exposure and changes in pension taxation or retirement behaviour. Approximately 92% of ILUK's FUD relates to pensions, increasing sensitivity to pension policy and withdrawals from a maturing client base.

Service Rating

Transact's service proposition remains an important source of differentiation and is delivered principally through IFAL's platform operating model and regionally organised service teams. Advisers and clients can access experienced staff and generally deal with the same team rather than relying principally on centralised or automated channels.

External research continued to rank Transact highly during FY25. It achieved the highest Net Promoter Score (NPS) and best overall user satisfaction in the Investment Trends survey, and continued to perform strongly in research undertaken by Platform and CoreData. Client retention increased to 95% [94%]. The service model supported strong growth in client numbers, assets, inflows and transaction volumes during the year. Continued digitalisation is intended to improve processing and adviser efficiency while retaining access to personal support.

Adviser relationships, direct feedback and external surveys inform platform and service development. The IFAL CEO also engages with industry bodies and has led industry discussions on transfers, adviser technology integrations and application programming interfaces. Consumer Duty is embedded within the conduct and service framework. IFAL received positive regulatory engagement in relation to its Consumer Duty Board report, and all UK staff, executives and non-executive directors completed Consumer Duty training during FY25.

Image & Strategy Rating

IHP states its aim is to be the number one provider of software and services for clients and UK financial advisers. Its stated purpose is to make financial planning easier, and its strategy for achieving this is to deliver leading financial adviser software, personal service and value for money.

Transact is a well-established adviser platform, having operated since 2000. It reported FUD of £74.2bn and 246,191 clients at 30 September 2025 and is the largest UK adviser platform built on proprietary technology. Transact's competitive position strengthened during FY25 with net inflows representing approximately 23% of UK adviser platform market net flows, with transfers from competitors increasing, transfers out reducing and the transfer ratio improved to 2.8 [2024: 1.7]. The strategy of the business continues to be the provision of a range of wrappers and access to products for clients and advisers.

The group's business model comprises of Transact and CURO, an advice firm CRM system. IHP states that these integrate across advice firm software ecosystem and offer a 'compelling' joint proposition for advice firms that use both propositions. IFAL is aligned with the group strategy of providing best in class services and software that enable UK financial advisers to deliver financial plans for clients, and IFAL states that it will adapt its offering in line with changes in the UK tax environment and in compliance with the regulatory environment, whilst maintaining profitability.

The platform strategy sees the combination of proprietary technology, personal service and value for money attracting positive net flows. IFAL is central to its delivery as the regulated entity operating the UK platform and maintaining the adviser and customer relationships through which the proposition is distributed.

Current priorities include digitalising platform processes, improving access to platform data and increasing integration with adviser back-office and financial planning systems. Deeper integration within adviser workflows should support proposition relevance and retention.

Transact continues to receive strong industry recognition for platform quality, technology and adviser satisfaction. The principal strategic challenges are maintaining service differentiation, managing pricing and margin pressure, delivering integrations at pace and securing operational efficiencies as the platform grows.

Business Performance Rating

IntegraFin Holdings plc

Group revenue increased by 8% to £156.8m, of which Transact (the wider platform) contributed 97%. Underlying profit before tax (PBT) increased by 7% to £75.4m. Reported group PBT was broadly unchanged at £69.1m, reflecting an impairment of Time4Advice goodwill and intangible assets and additional costs associated with overlapping London office leases. These items did not indicate deterioration in the underlying Transact platform business, which delivered strong operational performance in FY25. Closing FUD increased by 16% to £74.2bn and average daily FUD increased by 14% to £67.9bn. Client numbers increased by 5% to 246,191 and client retention improved to 95%.

Gross inflows increased by 25% to £10.1bn, while net inflows increased by 76% to £4.4bn. Market movements contributed a further £5.7bn to FUD, with organic flows and positive markets together supporting growth in recurring charge income. The principal performance sensitivities remain market-linked FUD, pricing pressure, cost growth and the delivery of operating leverage from increasing scale.

Positive momentum continued into FY26, with Q3 results reporting net inflows of £3.4bn, client numbers exceeding 256,000 and FUD increasing to £85.5bn

IntegraLife UK Ltd

ILUK delivered strong operational and financial performance in FY25. Closing FUD increased by 16% to £29.9bn and average FUD increased by 14% to £27.5bn. Policies in force increased by 6% to 114,696. Gross inflows increased by 22% to £3.3bn, while outflows remained broadly stable at £1.6bn. Net inflows consequently increased to £1.7bn [£1.1bn], providing strong organic growth alongside favourable investment markets.

Revenue increased by 8% to £67.2m. Annual charge income increased by 10% to £59.3m as average FUD grew, while wrapper charge income reduced by 6% to £7.6m, partly reflecting the introduction of one pension wrapper fee per family group. Administrative expenses increased by 7% to £31.1m, broadly in line with revenue growth. Operating profit increased to £35.1m [2024: £32.3m], PBT attributable to shareholders increased to £46.0m [£39.7m] and PAT increased to £35.5m [£30.0m]. Net assets rose to £60.8m [£50.6m] after payment of £25.3m of dividends. A further £27.4m interim dividend was declared after the reporting date but was not recognised as a liability at 30 September 2025.

Company Analysis: IntegraLife UK Ltd



BASIC INFORMATION

Company and Group Background

The business was founded by Ian Taylor and Mike Howard in 1999, with Transact launched in 2000. IHP was admitted to the London Stock Exchange in 2018 via an initial public offering (IPO) which valued the company at c. £650m. IHP is the holding company of the IntegraFin group and is currently a constituent of the FTSE250.

The principal regulated entities supporting Transact are IFAL, ILUK and ILInt. ILUK and ILInt were subsidiaries of IFAL but direct ownership was transferred from IFAL to IHP in July 2022. IFAL is the FCA-authorised investment firm that operates the core Transact UK investment platform, providing investment administration, custody, nominee, trading, settlement and wrapper administration services for the pension and insurance wrappers provided by the two life companies. Through these three entities the suite of propositions - pensions (SIPP and personal pension wrappers), GIAs, onshore and offshore bonds, and other wrappers and legacy products - are provided. The group also owns Time For Advice Ltd - which trades as Time4Advice and develops the CURO adviser customer relationship management system - and ISL, which employs most UK operational staff, along with specialist companies supporting the proprietary technology and providing trustee services.

Senior Management Team

ILUK has its own regulated Board comprising executive and non-executive directors. This provides entity-level oversight while allowing ILUK to draw on the wider group's management, operational and technical resources. The ILUK Board retains responsibility for the entity's strategy, capital, risk appetite and regulatory compliance, supported by an entity-level Audit and Risk Committee and wider group control functions.

As at 30 September 2025, the executive directors were Alex Scott and Euan Marshall. Jonathan Gunby resigned on 28 February 2025. The NEDs were John McKenzie, David Peach, Mary Gavigan, and Liz Wilson, with John Brettell having resigned on 19 May 2025.



BUSINESS STRUCTURE & OPERATIONS

Governance and Risk

ILUK maintains a separate Board and Audit and Risk Committee (ARC) within the wider IHP governance framework. The ILUK ARC oversees the effectiveness of the entity's internal controls and risk management arrangements and provides assurance to the ILUK Board. The control framework includes Compliance, Group Risk Management (GRM), the Actuarial Function and Group Internal Audit, and follows a three-lines model. Business departments own the first line, and are responsible for managing their own risks and controls. The Actuarial function forms part of the first line, with responsibility for coordinating the calculation of the Technical Provisions, ensuring the appropriateness of the data, assumptions and methodologies, and for maintaining the controls, reporting and auditing/validation around this function.

The second line comprises Compliance and GRM. Compliance is responsible for providing advice to the ILUK Board and senior management about compliance with relevant statutory and regulatory obligations, and acts as the first point of contact for regulators. The Platform Group Head of Compliance escalates regulatory issues (as required) related to ILUK to the ILUK CEO, ARC and board. GRM is responsible for coordinating all the risk management activities within the business, and has a key role in establishing the Risk Management Framework and Policy (RMF and RMP) to ensure that risks are appropriately controlled and mitigated and that appropriate risk behaviours are being demonstrated consistently across the business. The GRM function monitors the effective management of risk and reports on issues raised by this process, through a quarterly risk report provided by the Group Chief Risk Officer to the ILUK ARC. The Chair of the ILUK ARC subsequently informs the Board of any relevant and material issues for discussion and approval.

The third line is Group Internal Audit, which provides independent assurance on the adequacy and effectiveness of the IHP group's risk management, governance and internal controls. The Chief Internal Auditor reports functionally to the Chairs of the ILUK ARC, IFAL ARC, ILInt ARC and IHP ARC, and administratively to the IHP Group CEO. Group Internal Audit performs audits and reviews across the business on the implementation and effectiveness of the IHP GRM Policy and Framework and internal controls, reporting the results to the relevant ARCs and escalating any material findings identified to the entity board as appropriate. The Boards are

satisfied that Group Internal Audit provides sufficient assurance about the effectiveness of the IHP GRM Policy and Framework and internal controls.

The Own Risk and Solvency Assessment (ORSA) is managed within the GRM function and considers strategy, risk appetite, regulatory and economic capital, liquidity, forward-looking solvency and stress and reverse-stress testing. Solvency is monitored regularly, with full model calculations undertaken quarterly. Principal financial risks include market-related reductions in fee income, lapse and withdrawal risk, expense inflation, credit and counterparty exposure, liquidity risk and limited mortality exposure. Policyholder investment risk is largely borne by policyholders because the unit-linked assets and liabilities are substantially matched. Operational risks include dependence on IFAL and ISL, technology and cyber failure, regulatory change, financial crime, data quality and disruption to critical suppliers. ILUK is also exposed to group and brand contagion because much of its infrastructure and operating model is shared. The concentration in pensions creates exposure to changes in pension taxation, drawdown rules, inheritance-tax treatment and the withdrawal behaviour of a maturing client base.

Technology and Administration

The Transact platform is based on proprietary technology, giving the group direct control over development priorities, system maintenance and proposition enhancement. Software development and ownership are supported by specialist companies within the group. IFAL provides ILUK with custody, nominee, trading, settlement and wrapper administration services. ISL supplies policy administration, tax, legal, compliance, operational staff and other management services. ILUK has no direct employees and is therefore materially dependent on these intra-group arrangements.

The group continued its Transact digitalisation programme during FY25, seeking to reduce manual processing and improve efficiency for advisers, clients and internal teams. Development also focused on integration with adviser back-office and financial planning systems. Post-year-end development continued to improve adviser access to platform data and expand integration with external adviser software. These changes are intended to reduce rekeying and improve workflow efficiency.

The proprietary model provides strategic flexibility but creates concentration around internally developed systems and specialist technical knowledge. Operational resilience depends on effective change management, cyber controls, system capacity, succession planning and retention of key staff. Intra-group services are governed through formal agreements, service levels and performance monitoring. However, IFAL retains regulatory accountability for outsourced activities and remains exposed to disruption or control failure elsewhere in the group.



STRATEGY

Product and Distribution Strategy

ILUK provides the UK pension and life assurance wrappers available through Transact. Its principal products are the Transact Personal Pension, Executive Pension, Section 32 Buy-Out Bond and Onshore Bond. It also administers a small closed population of Qualifying Savings Plans. Products are distributed exclusively through Transact and are available through UK-regulated financial advisers. Clients do not ordinarily purchase ILUK policies directly, making the quality and reach of Transact's adviser relationships central to distribution.

ILUK's wrappers form part of the wider Transact platform proposition, which combines tax-efficient products, a broad investment range, portfolio-management tools, reporting and personal service. During FY25, ILUK introduced one pension wrapper fee per family group. This was intended to support intergenerational planning and improve value while retaining a sustainable charging structure.

Future development is expected to respond to changes in pension, tax and regulatory policy and remain aligned with the group's focus on adviser software, integrations, personal service and value for money. The concentration in pensions provides scale but increases exposure to changes in tax allowances, inheritance-tax treatment and retirement withdrawals. The onshore bond proposition provides some diversification but remains materially smaller.



KEY COMPANY FINANCIAL DATA

Last 3 reporting periods up to 30 September 2025

Assets

	Sep 23 £m	Sep 24 £m	Sep 25 £m
Fixed interest	19.9	0.0	8.1
Equities	0.0	0.0	0.0
Collectives	0.0	0.0	0.0
Property	0.0	0.0	0.0
Linked	21,959.5	25,749.8	29,858.7
Derivatives	0.0	0.0	0.0
Loans and mortgages	7.0	6.0	5.0
Reinsurance recoverables	0.0	0.0	0.0
Cash	71.2	105.9	108.6
Other	18.6	8.0	7.1
Total Assets	22,076.2	25,869.7	29,987.5

Liabilities

	Sep 23 £m	Sep 24 £m	Sep 25 £m
Technical provisions - non-life	0.0	0.0	0.0
Technical provisions - life	21,682.2	25,544.1	29,474.8
Other	121.3	0.0	158.8
Total Liabilities	21,803.6	25,544.1	29,633.7
Excess of assets over liabilities	272.6	325.6	353.8

Total assets increased by 16% to £30.0bn at 30 September 2025 [2024: £25.9bn], with the balance sheet dominated by £29.9bn of linked assets held for policyholders. Outside the linked portfolio, ILUK held cash of £108.6m, fixed-interest investments of £8.1m, loans and mortgages of £5.0m and other assets of £7.1m.

Total liabilities increased to £29.6bn [£25.5bn], of which £29.5bn related to life technical provisions and £158.8m to other liabilities. The close relationship between linked assets and life technical provisions reflects the substantially matched nature of ILUK's unit-linked business. Excess assets over liabilities increased to £353.8m [£325.6m].

Life Technical Provisions

	Sep 23 £m	Sep 24 £m	Sep 25 £m
Insurance with profit participation	0.0	0.0	0.0
Index-linked and unit-linked insurance	21,682.2	25,388.2	29,474.8
Life annuities	0.0	0.0	0.0
Non-life annuities	0.0	0.0	0.0
Other life insurance	0.0	0.0	0.0
Health insurance	0.0	0.0	0.0
Total life and health technical provisions	21,682.2	25,388.2	29,474.8

Life Expenses

	Sep 23 £m	Sep 24 £m	Sep 25 £m
Insurance with profit participation	0.0	0.0	0.0
Index-linked and unit-linked insurance	29.4	30.1	32.1
Life annuities	0.0	0.0	0.0
Non-life annuities	0.0	0.0	0.0
Other life insurance	0.0	0.0	0.0
Health insurance	0.0	0.0	0.0
Other expenses	0.0	0.0	0.0
Total life and health expenses	29.4	30.1	32.1

Life technical provisions increased by 16% to £29.5bn [2024: £25.4bn] and related entirely to index-linked and unit-linked insurance. The increase was consistent with growth in policyholder FUD during the year.

Life and health expenses increased to £32.1m [£30.1m] and also related entirely to the index-linked and unit-linked business.

Solvency Capital Requirement (SCR)

	Sep 23 £m	Sep 24 £m	Sep 25 £m
Market risk	165.6	194.1	216.8
Counterparty default risk	3.6	5.4	0.3
Life underwriting risk	160.0	177.4	179.8
Health underwriting risk	0.0	0.0	0.0
Non-life underwriting risk	0.0	0.0	0.0
Diversification	(70.6)	(81.2)	(82.4)
Intangible asset risk	0.0	0.0	0.0
Operational risk	4.8	4.7	5.2
Capital add-ons already set	0.0	0.0	0.0
Other items	(62.0)	(70.8)	(74.8)
Solvency capital requirement	201.4	229.5	244.8

Eligible Own Funds

	Sep 23 £m	Sep 24 £m	Sep 25 £m
Tier 1 unrestricted	261.6	313.1	326.4
Tier 1 restricted	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Tier 3	0.0	0.0	0.0
Eligible own funds to meet SCR	261.6	313.1	326.4
Excess of own funds over SCR	60.2	83.6	81.7
SCR coverage ratio (%)	130.0	136.0	133.0

The SCR increased by 7% to £244.8m [2024: £229.5m]. Market risk was the largest component at £216.8m, followed by life underwriting risk of £179.8m. Diversification reduced the requirement by £82.4m and other items, principally the loss-absorbing capacity of deferred tax, reduced it by a further £74.8m.

EOF increased to £326.4m [£313.1m] and consisted entirely of unrestricted Tier 1 capital. Excess Own Funds over the SCR reduced slightly to £81.7m [£83.6m], resulting in an SCR coverage ratio of 133% [136%].

Gross Life Premiums Written By Line of Business

	Sep 23 £m	Sep 24 £m	Sep 25 £m
Insurance with profit participation	0.0	0.0	0.0
Index-linked and unit-linked insurance	2,373.5	3,004.4	3,654.0
Life annuities	0.0	0.0	0.0
Non-life annuities	0.0	0.0	0.0
Other life insurance	0.0	0.0	0.0
Health insurance	0.0	0.0	0.0
Total gross life premiums written	2,373.5	3,004.4	3,654.0

Gross Life Premiums Written By Country

	Sep 23 £m	Sep 24 £m	Sep 25 £m
Home country	2,373.5	3,004.4	3,654.0
Country 1	0.0	0.0	0.0
Country 2	0.0	0.0	0.0
Country 3	0.0	0.0	0.0
Country 4	0.0	0.0	0.0
Country 5	0.0	0.0	0.0
Other countries	0.0	0.0	0.0
Total gross life premiums written	2,373.5	3,004.4	3,654.0

Gross life premiums written increased by 22% to £3.7bn [2024: £3.0bn] and related entirely to index-linked and unit-linked insurance business. All premiums were written in the UK, reflecting ILUK's focus on UK pension and life assurance wrappers distributed through Transact.

Profit

	Sep 23 £m	Sep 24 £m	Sep 25 £m
Profit (loss) before taxation	33.5	39.7	46.0
Taxation	(6.6)	(9.7)	(10.5)
Profit (loss) after taxation	26.9	30.0	35.5
Other comprehensive income	0.0	0.0	0.0
Dividends	(19.0)	(41.2)	(25.3)
Retained profit (loss)	7.9	(11.2)	10.2

Life Business Flows

	Sep 23 £m	Sep 24 £m	Sep 25 £m
Net life premiums written	2,373.5	3,004.4	3,654.0
Net life claims incurred	(1,356.4)	(1,970.6)	(2,036.1)
Net flow of business	1,017.1	1,033.8	1,617.8

PBT increased to £46.0m [2024: £39.7m]. After a tax charge of £10.5m, PAT was £35.5m [£30.0m]. Dividends of £25.3m were paid, leaving retained profit of £10.2m, compared with a retained loss of £11.2m in 2024 following the higher prior-year distribution.

Net life premiums written increased to £3.7bn [£3.0bn], while net life claims incurred increased more modestly to £2.0bn [£2.0bn]. Positive net business flow consequently increased to £1.6bn [£1.0bn].

Guide



INTRODUCTION

For over 30 years, AKG has assessed the financial strength of financial services firms from the perspective of financial advisers and their clients. Assessments focus on the operational entity responsible for delivering the relevant product or service, reflecting the requirement for that company to remain viable in order to meet customers' fairly held expectations.

Assessments are undertaken on a sector basis, comparing companies within relevant peer groups to support adviser selection between competing propositions. AKG's approach is underpinned by a balanced scorecard of financial, operational and strategic measures, drawing on public information and, where applicable, direct company engagement.

This is a participatory assessment.



RATING DEFINITIONS

Overall Financial Strength Rating

The Overall Financial Strength Rating provides an indication of a company's ability to deliver sustained operational provision of its products or services, assessed from the perspective of financial advisers and their clients. The rating reflects the company's business mix and relative position within its sector, taking into account relevant financial, operational, management and strategic factors, including parental strength and the likely attitude towards supporting the company.

Rating Scale	A	B+	B	B-	C	D	■
	Superior	Very Strong	Strong	Effective	Challenged	Very Challenged	Not applicable

Supporting Ratings

The Service Rating assesses the quality of service provided by the organisation to the intermediary market, taking into account service performance, external and internal benchmarking, investment in service capability and feedback from intermediaries.

The Image & Strategy Rating assesses how effectively the organisation positions and distributes its products, and the extent to which its strategy is coherent, sustainable and aligned with its operating environment and target markets.

The Business Performance Rating assesses how the organisation has performed relative to sector peers, based on recent financial and operational outcomes, market positioning and relevant external developments.

All ratings utilise the following scale:

Rating Scale	★★★★★	★★★★	★★★	★★	★	■
	Excellent	Very Good	Good	Adequate	Poor	Not Rated

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