ISSUED 16 January 2026

PLATFORM SECTOR
Embark

FINANCIAL STRENGTH ASSESSMENT

Analysis by AKG Financial Analytics Ltd
Accessible • Comparative • Independent

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, 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

AKG A
FINANCIAL STRENGTH RATED
PLATFORM SECTOR **SUPERIOR**
EMBARK INVESTMENT SERVICES LIMITED

Supporting Ratings

	Service	Image & Strategy	Business Performance
Embark Investment Services Limited	★★★★	★★★★	★★★★

SUMMARY

- This report covers Embark Investment Services Ltd (EISL) in its capacity as a white label platform provider for other financial services brands and other parts of Lloyds Banking Group plc (LBG)
- EISL is also the manufacturer of the Scottish Widows Platform
- EISL is a wholly owned subsidiary of Embark Group Ltd (EGL). EGL (excluding Rowanmoor) was acquired by Lloyds Banking Group (LBG) in 2022 and now forms part of Scottish Widows Group Ltd (SWG) within the Group's Insurance, Pensions & Investments (IP&I) division
- The Platform now operates as the group's primary adviser platform, fully embedded within Scottish Widows' distribution strategy
- Consolidation onto a single platform brand has strengthened adviser engagement and simplified the platform technology estate, following the full migration of the former Advance by Embark platform to EISL in 2023
- The Platform is a core pillar of LBG's IP&I strategy, supporting long-term growth ambitions in the intermediary wealth market
- Targeted capital injections of £70m in 2022 and £301m in 2023 supported the transformation of Embark and enabled continued modernisation of Platform infrastructure, functionality and operational capacity
- No further capital was required in 2024, reflecting the stabilisation of the Platform within Scottish Widows and its integration into ongoing group investment cycles
- The Platform benefits from the wider financial strength and operational resilience of LBG, underpinning sustained investment in digital capability, adviser experience and scalable Platform growth

COMMENTARY

Financial Strength Ratings

At 31 December 2024, LBG reported a CET1 ratio of 14.2% [2023: 14.6%]. On a pro forma basis, after dividends and share buybacks, this stood at 13.5% [2023: 13.7%], remaining comfortably above management's revised operating range of around 12% plus a 1% buffer.

SWG reported a solvency coverage ratio of 158% on a shareholder view [2023: 184%] and 149% on a regulatory view basis [2023: 167%] Scottish Widows Ltd (SWL), as the main UK long-term insurance entity, reported a regulatory coverage ratio of 144% [2023: 160%] and a shareholder view ratio of 153% [2023: 172%]. These remain solid, albeit reflecting lower levels than the prior year following dividend payments of £917m and the impact of market movements.

The wider LBG capital position remains supportive, with end-2024 CET1 ratios within the group's target range. The additional motor finance provision recognised in 2024 does not directly affect Scottish Widows but has increased attention on capital efficiency and stress resilience across the group. Dividend and buyback activity continues to be balanced against maintaining a robust capital buffer.

As the UK's only integrated financial services provider, LBG should be well placed to deliver holistic solutions in areas such as Insurance and Wealth management, alongside its traditional Retail and Commercial Banking activities.

Embark Investment Services Limited

EISL maintains a stable regulatory capital position appropriate to its size and stage of maturity. As at 31 December 2024, the company had calculated liquid capital of £40.4m against a regulatory capital requirement of £17.8m giving a capital ratio of 179% [2023: £24.7m, £18.7m and 132%]. Capitalisation continues to reflect the nature of the Platform business, where regulatory requirements are modest relative to proposition scale and complexity.

The company was initially capitalised with £300m in 2016, with further targeted injections totalling £47.1m up to the end of 2023 and £14.0m in 2024 to support platform development and transformation. Capital needs have reduced as the Platform has stabilised within Scottish Widows' investment cycles.

EISL benefits from the financial strength and scale of Scottish Widows Group and Lloyds Banking Group. Group-level solvency and capital generation remain strong, supporting continued investment in the Platform and providing resilience during periods of market volatility. As the Platform becomes further integrated into the group's operating model, its future capital needs are expected to be met within the wider strategic planning of Scottish Widows.

Service Rating

EISL's stated ambition is to deliver the most loved and best connected platform in the market, combining an intuitive digital adviser experience with high-quality service and technical support. Its service model is built around a 'People + Tech' approach that recognises advisers' preference for digital efficiency while ensuring expert support is available when needed.

Significant operational change and the migration of the Advance by Embark platform created short-term service pressures. These have been addressed, and service performance has markedly improved across key contact channels. Telephony upgrades, simplified workflows, increased automation and the introduction of a chat bot have all strengthened call handling times, email response rates and case processing through 2024 and 2025. Moving to a single platform architecture has also improved service predictability and enabled more consistent MI to support operational oversight and adviser experience.

Service support is available online through a dedicated website, as well as webchat available once logged into the platform. With telephone, email and webchat support provided by specialist adviser teams. Platform onboarding consultants, Business Development Managers and head office technical specialists offer additional support across pensions, tax and technical queries.

External service recognition has strengthened. Under LBG ownership, Embark and the Scottish Widows Platform achieved 5 stars in the Financial Adviser Service Awards (Platform category) in 2022 and 2023, alongside 'Most Improved' (2022)

and 'Readers' Choice' (2023). The Scottish Widows Platform was awarded 4 stars in 2024 and 2025, with the Platform also achieving a Defaqto Gold Service rating for Pensions in 2025.

Customer satisfaction scores have improved meaningfully, with Scottish Widows' Trustpilot rating rising to 4.5 in 2025 [2024: 4.3, 2023: 3.0]. This improvement reflects increased staffing and continued investment in operational and digital capability. A 'customer vision' strategy has been rolled out across servicing areas, focused on improving outcomes and experience through digital upgrades, improved service processes and more proactive engagement. This aligns with Consumer Duty, using data led communications and proposition enhancements to build confidence and trust. Across the wider group, LBG's NPS decreased slightly to 67.0 as at December 2024 [2023: 68.2], but remains at a strong level.

Image & Strategy Rating

LBG has a multi-brand approach, offering its services through a number of recognised brands in order to 'address the needs of different customer segments more effectively'.

Underpinned by its purpose of 'Helping Britain Prosper', LBG's strategic vision is to be a UK customer-focused digital leader and integrated financial services provider, capitalising on new opportunities, at scale. It will look to deepen relationships with existing customers, both consumers and businesses of all sizes, and meet more of their financial needs by making its products more relevant to them and its channels simpler and more personalised to use. LBG will also retain a strong focus on cost and capital discipline.

LBG aims to serve its customers' lifetime banking, insurance and wealth needs in one place through a comprehensive product range. With ever increasing competition, LBG is aware of the evolving competitive environment and recognises that it must continue to build on and develop its competitive strengths, through diversification of its business, expanding its offering to customers and capturing new growth opportunities. LBG is investing in data capabilities to personalise and deepen its customer relationships and meet a broader range of needs, whilst ensuring it faces the ethical considerations posed by new data uses.

The acquisition of Embark by LBG changed the scale of the group it now finds itself in, with wider image and strategy considerations it now needs to adopt.

Embark currently operates with the following brands:

- The Scottish Widows Platform, launched in 2017 as Embark, provided and administered by EISL
- Embark, a white label platform provided by EISL
- Embark Pensions offers a range of Self Invested Personal Pensions (SIPPs) through advisers and white label partners to help meet their clients' retirement needs
- Stocktrade, a trading name of EISL, provides execution only, corporate dealing services to large companies, investment platforms and building societies
- Halifax Share Dealing, an execution only stockbroking business

Additionally, there are two legacy brands:

- Hornbuckle, founded in 1982. Its initial business was providing financial advice to clients and administering SSASs, before entering the SIPP market in 1997
- EBS launched in December 1970 as one of the first companies to offer small self-administered schemes (SSASs)

Both brands are no longer marketing new business, with new SIPP applications managed by Embark Pensions. New SSAS business is not accepted, and legacy SSAS business is administered by WBR Group via an outsourcing agreement

Advised distribution remains the Platform's core long-term channel in the UK, with the proposition now fully embedded within Scottish Widows and the wider group operating model. Since the acquisition of Embark, the business has transitioned from a standalone platform provider into a central distribution channel supporting adviser-led wealth and the group's broader IP&I ambitions.

The Platform plays an important role in the group's strategy to deliver integrated banking, insurance and wealth solutions, and is increasingly woven into the group's digital environment and customer journeys being the underlying technology that powers the group's ready-made D2C products.

A key development has been the shift to a single technology and operational platform following the migration of Advance by Embark. This simplification enabled greater operational scale, a more consistent adviser experience and improved functionality. Continued investment has supported enhancements to core tooling, increased automation and better integration with Scottish Widows' wider proposition set.

Digital engagement across the Scottish Widows ecosystem has also strengthened, supported by the evolution of the 'Your Tomorrow' app and broader digital retirement planning features. These developments reinforce the Platform's role within the group's wider wealth offering and provide opportunities to deepen customer and adviser engagement as digital adoption continues to expand.

The platform supports a range of existing white-label partnerships, and retains the capability to support new institutional and white-label arrangements where strategically aligned. Much of its primary strategic role within LBG is now adviser-led wealth, whilst D2C pensions and investment products increasingly use shared underlying technology but do not rely on the Platform as a standalone proposition.

Business Performance Rating

EISL has progressed from an early-stage investment phase into a more stable financial position, supported by the transition to a single technology and operational platform and stronger adviser engagement. The business returned to profitability in both 2023 and 2024, following earlier periods of loss-making performance associated with platform development and integration costs.

The consolidation of the Advance by Embark platform and improved operational scalability have contributed to greater efficiency, while continued adviser adoption has supported underlying revenue growth. The Platform's role within Scottish Widows and the wider group continues to strengthen, with future volumes expected to benefit from enhancements to adviser tooling, digital journeys, product and propositional enhancements and further integration into the broader wealth proposition.

At group level, SWG received dividends of £1,113m [2023: £285m] from its subsidiaries and paid £846m [2023: £191m] to LBG in line with its risk appetite. Within LBG, the Insurance, Pensions & Investments (IP&I) division reported underlying profit of £220m [2023: £190m], contributing 3% of group underlying profit [2023: 2%]. LBG reported statutory profit after tax of £4.5bn [2023: £5.5bn], reflecting lower net income, higher operating costs and increased remediation and impairment charges.

Group & Parental Context

BACKGROUND

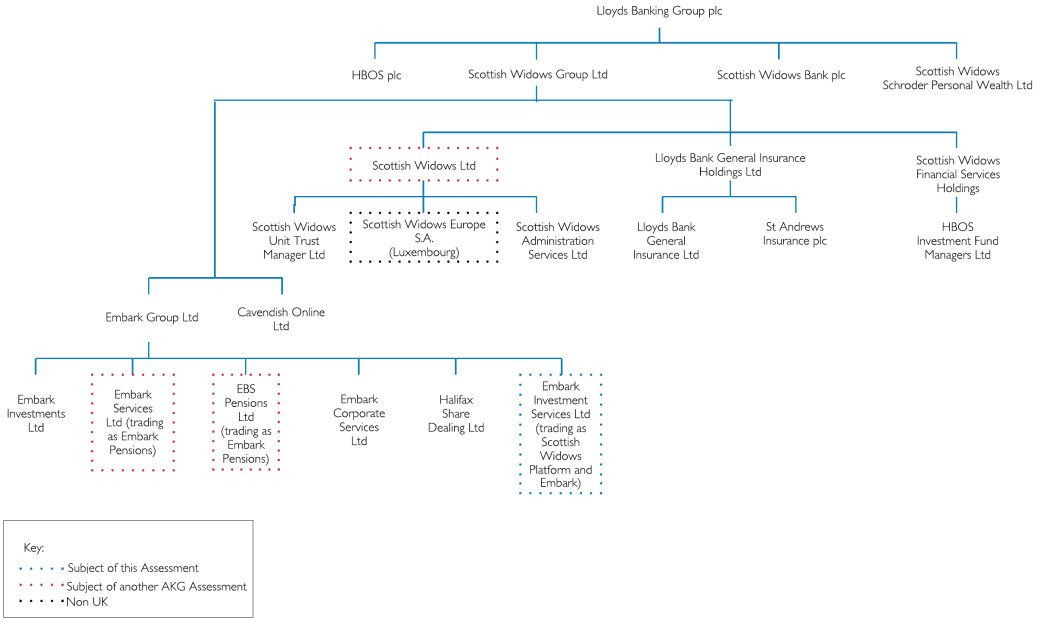
Embark provides the core technology capabilities used by the Scottish Widows Platform, and its integration into the group since 2022 has expanded LBG's ability to compete in the adviser and direct to consumer markets. The acquisition formed part of LBG's long-term plan to strengthen its position in pensions, investments and digital retirement propositions.

LBG is the UK's largest retail and commercial banking group, with a history of integrating insurance activities following the acquisition of Scottish Widows in 1999 and Clerical Medical in 2009. More recently, the group has pursued growth in Insurance and Wealth through the purchase of Zurich's workplace pensions business in 2019, the acquisition of Embark in 2022 and Cavendish Online in 2022. These additions have been positioned to enhance the long-term savings, platform and protection propositions available under the Scottish Widows brand. Whilst in October 2025 LBG acquired full ownership of Schroders Personal Wealth, which is being rebranded to Lloyds Wealth, with the aim to strengthen its integrated wealth management offering.

At a group level, LBG reported statutory profit after tax of £4.5bn in 2024 [2023: £5.5bn], supported by strong net interest income and resilient customer franchise. Capital generation remained robust, with a year-end CET1 ratio of 14.2% (13.5% on a pro forma basis post buybacks and dividends), consistent with the group's stated target range.

A key development in 2024 was the additional £700m provision for motor finance commission arrangements, following the Court of Appeal ruling. While this has no direct impact on SWL, it illustrates the broader remediation pressures facing the group.

GROUP STRUCTURE (SIMPLIFIED)



Company Analysis: Embark Investment Services Limited

BASIC INFORMATION

Ownership & Control
Lloyds Banking Group plc

Year Established
2016

Country of Registration
UK

Head Office
33 Old Broad Street, London, EC2N 1HZ

Contact
https://platform.scottishwidows.co.uk/contact/

Key Personnel

Role	Name
Lloyds Banking Group:	
Chair	R F Budenberg
Chief Executive Officer	C A Nunn
Chief Financial Officer	W L D Chalmers
CEO, Scottish Widows and Insurance, Pensions & Investments	C Barua
Scottish Widows (Embark):	
Chair (Interim)	C Moulder
Chief Information Officer	A Thawani
Chief Investment Officer	K Doran
Chief Operating Officer	D MacKechnie
Chief Financial Officer	S T Nyahasha
Chief Risk Officer	M R Downie
Strategy Director	M Preston
Managing Director, Pensions and Retirement	G Bold
Intermediary Wealth Director	J Davidson
Head of Platform Propositions	R Easton

Company Background
The Embark Group was established in 2013 with the aim of developing a modern digital retirement platform. Through a combination of organic development and selective acquisitions, the group built capability across SIPP, SSAS and platform administration before being acquired by Lloyds Banking Group in 2022.

Since acquisition, Embark's focus has shifted from a multi platform operation to EISL becoming the sole provider. This has involved the migration of the former Advance by Embark platform, the simplification of the technology estate, and integration into the wider Scottish Widows digital and operational infrastructure.

EISL now administers over £24bn of intermediary assets, with the Platform forming a core component of LBG's ambition to grow in the adviser and wealth markets.

OPERATIONS

Governance System and Structure

As a subsidiary of SWG, Embark has become more integrated into SWG and the wider LBG Group. Since September 2024, it has been part of the Insurance Board, the Insurance Group's ultimate authorisation and governance body.

The Insurance Group is overseen by the Insurance Board, which is the primary decision-making body for the Group's insurance entities. The Board has common membership across the key legal entities, and meets concurrently to consider matters affecting the wider Insurance Group. Scottish Widows Europe (SWE) sits outside this structure and is overseen by its own Board in Luxembourg.

Alongside the Insurance Board, the Group also has several standalone subsidiary boards that are responsible for their own regulated activities, notably the Authorised Corporate Director (ACD) Board, the GI Broker Board and the Embark Group Board.

The Insurance Board comprises eleven members: the Chair, two Executive Directors and eight Non-executive Directors, six of whom are independent. The Senior Independent Director also chairs the Insurance Audit Committee, the With-Profits Committee and the Insurance People Committee. Other independent Non-executive Directors chair the Risk Oversight Committee and the Board Investment Committee. The Board Chair was independent on appointment.

The Insurance Board is collectively responsible for setting strategy, overseeing performance, establishing culture and standards, and ensuring that risks are well managed. It also ensures that the Insurance Group has the financial and human resources needed to meet its objectives.

In order to support its work, the Insurance Board has established a number of committees, which carry out their tasks in support of the Board. These include:

- Insurance People Committee
- Insurance Risk Oversight Committee
- Insurance With-Profits Committee
- Insurance Audit Committee
- Insurance Board Investment Committee
- Independent Governance Committee
- Insurance General Purposes Committee

The Chief Executive of Scottish Widows (CEO, IP&I) has executive responsibility for overall management of LBG's insurance business and discharges responsibilities for the day-to-day management of the business with the assistance of Executives who have been delegated elements of authority and through the operation of the Executive Committee (IPIEC) and other executive level committees. IPIEC is the principal executive management committee of the Insurance Group, and is supported by a series of subsidiary committees.

At Platform level, governance structures remain well established and increasingly aligned to group standards as integration has progressed, with Board and Committee oversight supported by strengthened risk culture initiatives introduced through 2024 and 2025. There is increased focus on Consumer Duty outcomes, with clearer accountability for customer experience and conduct within business scorecards. Governance reporting has also broadened to incorporate digital transformation progress and operational stability metrics.

Oversight of key third-party service partners, including Diligenta and technology platform suppliers, has been strengthened through improved management information and greater operational transparency. Major upgrades to telephony technology and continued optimisation of workflows have contributed to more consistent oversight and clearer tracking of service performance.

As part of LBG, the Insurance Group has published a climate plan that sets out a long-term strategy with actions to drive the investment portfolio towards net zero by 2050, formulated in a manner that prioritises customer goals within decision-making with good progress made against objectives.

The Insurance Group is supportive of the Task Force on Climate-Related Financial Disclosures (TCFD) framework and related regulatory expectations, and aligned to best practice outlined by the Climate Financial Risk Forum (CFRF).

Risk Management

As a subsidiary of SWG, and in line with LBG and Insurance Group expectations, Embark has adopted the Insurance Group Risk Management Framework (RMF) with proportionality.

This means where practical, Embark has aligned its risk management approach (e.g., adoption of risk taxonomy and risk appetite approach) but in certain areas of the policy framework, may take a different approach for reasons of scale and/or practicality - whilst maintaining regulatory compliance.

The Insurance Group is aligned to LBG's RMF, whilst incorporating elements to address and support compliance with Insurance-specific requirements. LBG operates a prudent approach to risk with rigorous management controls to support sustainable business growth and minimise losses.

The RMF provides a robust and consistent approach to risk management with mechanisms for developing and embedding risk policies and risk management strategies, which are aligned to the risks faced by the business. This in turn drives the risk profile of the business in line with risk appetite and through good risk-reward decision making. The RMF is structured around six components:

- Role of the Board and senior management
- Culture and the customer
- Risk appetite
- Risk and control self-assessment
- Risk governance
- Three lines of defence

Risk management is integral to EISL's strategy and operations. Operating a rigorous risk management framework designed to promptly identify, measure, manage, report and monitor all risk types and associated risks that affect the achievement of strategic, operational and financial objectives. This includes reviewing the Company's risk profile and giving consideration to the Board's risk appetite so that EISL is able to respond to new risks and opportunities and to support risk-based decision making.

Administration

The Platform's operations are now supported by a simplified and more scalable technology estate, with FNZ providing the core platform infrastructure. The migration of the Advance by Embark platform, together with the decommissioning of legacy systems, has significantly reduced operational complexity.

The introduction of the Genesys telephony platform and improvements to workflow management have strengthened service consistency and responsiveness across core processes. Continued optimisation of supplier oversight and deeper integration with Scottish Widows' operational model have supported greater stability and resilience.

The platform makes extensive use of straight-through processing to automate all major processes and deliver maximum efficiency for advisers and consumers. It also provides real-time transactions, requires no 'wet' paper signatures, and supports users via online chat, phone and email. Platform implementation support is provided alongside a nationwide team of business development managers.

Operational resilience continues to be enhanced through group-wide programmes focused on risk controls, cyber capability, and supplier oversight. Integration with Scottish Widows' operating model provides scalability benefits and contributes to improved change discipline and service stability as Platform volumes grow.

Platform systems are hosted across two mirrored data centres in Edinburgh and London. These are synchronised through real-time data replication technology. Further backup services provide the ability to recover on tertiary hardware, if

required. Monitoring of the sites is continuous. This data can be accessed from Embark's administration centres in London, Leicester, Salisbury, Dundee and Edinburgh.

Benchmarks

Under the ownership of Lloyds Banking Group, the Scottish Widows Platform has began to receive wider industry recognition. At the Financial Adviser Service Awards, Embark was awarded 5 stars in the Platform category in 2022 and 2023, alongside additional accolades of 'Most Improved' in 2022 and 'Readers' Choice' in 2023.

Further recognition followed in 2024, with the Scottish Widows Platform achieving 4 stars in the Platform category. In 2025, the Platform was awarded a five-star Platform rating and Gold Pension service rating from Defaqto, cementing its standing within the adviser community.

Outsourcing

Embark Trustees Ltd (ETL) is the Trustee of the Embark Personal Pension Scheme, while Avalon assets in pensions are held in trust by group subsidiary Avalon SIPP Trustees Ltd. For Embark, all Mutual Funds will be held in the name of its appointed sub Custodian nominee and Exchange Traded Instruments will be held in the name of nominee company EISN.

EISL utilises the services of fellow group subsidiary, Embark Corporate Services Ltd (ECSL), and was recharged £42.6m [2023: £10.6m] in respect of central shared services.

Administration of the non-platformed SIPP capabilities is now provided by ESL.

Additional services and feeds are provided through links with Financial Express and Morningstar.

As the shape of integration within LBG plays out there is scope for the platform to make use of the wider in-house resources and facilities of such a large banking and insurance group.

STRATEGY

Market Positioning

EISL forms a central component of the group's broader IP&I proposition and is positioned to support long-term growth in adviser-led wealth. Since the acquisition of Embark, the Platform has transitioned from operating as a standalone digital provider to acting as a fully integrated distribution channel within the Scottish Widows offering, benefiting from the scale, brand strength and multi-channel reach of the group.

The move to a single platform architecture has created a more coherent and competitive proposition. Differentiation is built around service quality, integration capability, operational stability and adviser experience. While the Platform does not currently offer all tax wrappers, its scalability, digital depth and alignment with Scottish Widows' proposition make it attractive for advisers seeking a modern and integrated retirement solution.

In addition to its core adviser-led focus, the Platform retains the capability to support institutional and white-label arrangements where strategically aligned, reflecting strengths developed in Embark's earlier operating model. Integration with the Scottish Widows brand and sales structure broadens distribution reach and supports opportunities to develop workplace and hybrid wealth propositions over time.

Proposition

EISL's Platform proposition is designed to provide advisers with a modern, digitally enabled solution that supports a broad range of accumulation and retirement needs. The offering includes ISAs, GIAs and pensions, with a strong focus on seamless digital journeys, operational efficiency and close integration with Scottish Widows' wider retirement and investment solutions. While the Platform does not currently offer every tax wrapper, its differentiation lies in consistency, cost transparency, service reliability and scalable digital capability. It does however offer third party offshore bonds through the Platform and has plans to develop its' own onshore bond in the near future.

Investment since the acquisition of Embark has centred on strengthening EISL's propositional capability, enhancing the digital user interface and improving connectivity with adviser back-office systems. Development activity has included multiple digital releases, deeper system integrations and the introduction of tools to support adviser workflows.

Enhancements such as improved transfer functionality, automated Bed & ISA capability, upgraded drawdown journeys (including drip-feed drawdown), and more intuitive online interfaces have contributed to improving adviser adoption and experience.

The investment proposition includes access to 6,900 mutual funds from more than 280 fund managers, over 3,000 listed securities, investment trusts and ETFs, and a range of model portfolios from Discretionary Investment Managers. In 2025, Scottish Widows launched their new multi-asset fund range, 'Managed Growth Funds', on the Platform. Connectivity continues to improve through integrations with major financial planning tools, including EVPro, Voyant and Oxford Risk, together with market-wide services such as Origo for bulk valuations.

Digital capability remains central to the proposition. Functionality includes fully online drawdown, flexible withdrawal options, integrated payroll for any-day payments, adviser and client reporting tools, an online audit trail and electronic management of elective corporate actions. Continued investment in automation, reporting and digital workflow improvements strengthens both adviser and customer experience.

The Platform also retains capability to support selected institutional and white-label partnerships, providing optionality where aligned with the group's broader wealth strategy.

The Platform's alignment with the Scottish Widows brand and wider proposition set reinforces its market positioning. By combining a modern platform capability with the scale, governance and financial strength of Scottish Widows and the group, the Platform supports the development of an integrated wealth ecosystem spanning adviser, workplace and emerging hybrid models. While integration has required significant transformation due to Embark's previously diverse operating estate, development is increasingly embedded within group investment cycles and reflects a clear, long-term strategic direction.

KEY COMPANY FINANCIAL DATA

Last 3 reporting periods up to 31 December 2024

Own Funds Disclosures

		Dec 23 £ 000's	Dec 24 £ 000's
Available own funds		26,363	41,936
Own funds requirement (OFR)		17,921	15,637
Excess own funds		**8,442**	**26,299**
OFR coverage ratio (%)		147	268

EISL was established with £300m in 2016 and has since received annual capital injections totalling £47.1m to the end of 2023, to support its growth. In 2024, a further £14.0m was injected.

As at 31 December 2024, EISL had calculated liquid capital of £40.4m and a regulatory capital requirement of £17.8m giving a capital ratio of 179% [2023: £24.7m, £18.7m and 132% respectively].

2022 data is not on a MIFIDPRU basis, and excluding from the table above on basis of incomparability.

Statement of Financial Position

	Dec 22 £ 000's	Dec 23 £ 000's	Dec 24 £ 000's
Assets	17,670	38,700	54,252
Current liabilities	(5,783)	(10,217)	(8,417)
Long-term liabilities	0	0	0
Net assets	11,887	28,483	45,835

Statement of Changes in Equity

	Dec 22 £ 000's	Dec 23 £ 000's	Dec 24 £ 000's
Equity at start of period	**11,561**	**11,887**	**28,483**
Movement due to:			
Share capital and premium	2,500	15,500	14,000
Retained earnings	(1,605)	1,096	3,352
Other	(569)	0	0
Equity at end of period	**11,887**	**28,483**	**45,835**

Assets increased in the year to 31 December 2024 to £54.3m [2023: £38.7m], with cash the predominant category at £36.4m [2023: £22.7m].

With all the capital injections received to date, EISL's share capital has increased to £60.9m [2023: £46.9m], partially offset by retained losses of £15.0m [2023: £18.4m].

With capital injections of £14.0m and retained earnings of £3.4m, net assets increased to £45.8m [2023: £28.5m].

Income Statement

	Dec 22 £ 000's	Dec 23 £ 000's	Dec 24 £ 000's
Revenue	17,620	28,279	69,275
Other operating income	0	1,688	96
Operating expenses	(20,620)	(28,992)	(67,619)
Operating profit (loss)	**(3,000)**	**975**	**1,752**
Other gains (losses)	(116)	0	(13)
Profit (loss) before taxation	**(3,116)**	**975**	**1,739**
Taxation	471	121	1,613
Profit (loss) after taxation	**(2,645)**	**1,096**	**3,352**
Other comprehensive income	0	0	0
Dividends	0	0	0
Retained profit (loss)	**(2,645)**	**1,096**	**3,352**

Financial Ratios

	Dec 22 %	Dec 23 %	Dec 24 %
Operating margin	(17)	3	3
Pre-tax profit margin	(18)	3	3
Employee costs as a % of revenue	35	30	16

PBT for the year ending 31 December 2024 was £1,739k [2023: £975k] with an increase in total revenue to £69,275k [2023: £28,279k].

Statement of Cash Flows

	Dec 22 £ 000's	Dec 23 £ 000's	Dec 24 £ 000's
Net cash generated from operating activities	2,288	(4,468)	(30)
Net cash used in investing activities	(116)	(1)	(15)
Net cash used in financing activities	2,500	15,500	14,000
Net increase (decrease) in cash and cash equivalents	**4,672**	**11,031**	**13,955**
Cash and cash equivalents at end of period	12,203	22,666	36,374

Assets under Administration (AuA)

	Dec 22 £m	Dec 23 £m	Dec 24 £m
Assets at start of period	8,456	7,887	23,176
Inflows	783	803	2,544
Outflows	(761)	(653)	(2,863)
Net market and other movement	(591)	15,139	1,407
Assets at end of period	**7,887**	**23,176**	**24,264**
Growth rate (%)	(7)	194	5
Net inflows as % of opening AuA	0	2	(1)

There was net cash used in operating activities of £30k [2023: £4.5m] and a capital injection of £14.0m [2023: £15.5m]. Allowing for a small amount of net interest paid of £15k [2023: £1k], there was a net increase in cash and equivalents of £14.0m [2023: £11.0m]. After allowing for a negative exchange rate movement of £0.2m [2023: £0.6m], cash and cash equivalents amounted to £36.4m [2023: £22.7m].

Intermediary AuA increased by 5% to £24.3bn [2023: £23.2bn]. Increased AuA in 2023 was driven by the migration of Advance by Embark assets.

Guide



INTRODUCTION

For over 30 years AKG has particularly focused on the financial strength requirements of financial advisers, who when acting on behalf of their clients, need to ascertain a company's ability to deliver sustained provision.

From this customer perspective, the financial strength of companies needs to be focused at an operational level, 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 (not some higher corporate entity) 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.

It is also important to understand the sector approach (comparative peer groups) that is adopted in financial strength assessment and rating process.

At AKG, this is again driven by the end customer perspective and the fact that assessment is designed solely for this purpose, i.e. as a component in helping customers' advisers to select between comparable companies competing to deliver relevant products or services.

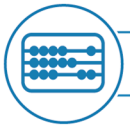
AKG's focus and approach has remained consistent over the years since it commenced assessment and rating support for the market. However, coverage, format and presentation has rightly evolved over this period, in line with the needs and expectations of assessment and rating users in the market. And AKG considers further changes on a continual basis.

Further details including an explanation of what is included in the assessment reports and coverage can be found online at https://www.akg.co.uk/information/reports.

AKG's process for assessment and rating is to use a balanced scorecard of measures and comparative information, relevant to the companies contained within each peer group. This is gathered via Public Information only for non-participatory assessments and public information plus company interactions with companies for participatory assessments. Further details on AKG's process can be found at https://www.akg.co.uk/information/reports.

This includes further information on the different participatory and non-participatory basis and for companies wishing to learn more about participatory assessment AKG is pleased to outline this and welcomes contact.

This is a participatory assessment.



RATING DEFINITIONS

Overall Financial Strength Rating

The objective is to provide a simple indication of the general financial strength of a company from the perspective of those financial advisers who when acting on behalf of their clients need to ascertain a company's ability to deliver sustained operational provision of products or services.

The overall rating inherently reflects the mix of business within the company, since different types of customer or policyholder have different requirements and expectations, and the company may have particular strengths and weaknesses in respect of its key product or service areas. However, it also takes account of comparison across the sector in which it is assessed.

The rating takes into account those of the following criteria which are relevant (depending upon the company's mix of business in-force): capital and asset position, expense position and profitability any specifically onerous element such as with profits realistic balance sheet position, structure (and size) of funds within the company, parental strength (and likely attitude towards supporting the company), operational capability, management strength and capability, strategic position

and rationale, brand and image, typical fund performance achievements or product / service features, its operating environment and ability to withstand external forces.

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

Service Rating

The objective is to assess the quality of the organisation's service to the intermediary market in respect of the brand concerned.

Criteria taken into account include: performance in surveys, awards and benchmarking exercises (external and internal), the organisation's philosophy, service charters, the extent of investments designed to improve service, and feedback from intermediaries.

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

Image & Strategy Rating

The objective is to assess the effectiveness of the means by which the organisation currently positions itself to distribute its products for the brand concerned and the plans it has to maintain and/or develop its position.

Criteria taken into account include: overall trends in the company's market share position, brand visibility and reputation, feedback from intermediaries and industry commentators, and AKG's view of the company's general strategy.

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

Business Performance Rating

This review is an assessment of how the company and the brand has fared against its peers, and how it is perceived externally. Effectively this is how it has performed recently in the market. Whilst it will include performance indicators from the most recent available statutory reporting (report and accounts and SFCRs in the case of insurance companies, for example) it will also draw on other recent key performance elements before and after such disclosure, up to the point at which the assessment is undertaken.

Criteria taken into account include: increase/decrease in market shares, expense containment, publicity good or bad, press or market commentary, regulatory fines, and competitive position.

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

ABOUT AKG

AKG is an independent organisation. Originally established as an actuarial consultancy AKG has, for over 30 years, specialised in the provision of assessment, ratings, information and market assistance to the financial services industry.

As the market has evolved over this period, the range of entities considered by AKG has expanded. Consequently, AKG has brought additional skill sets into its operations. This has meant the inclusion of accounting, corporate finance, IT and market intelligence experience, alongside actuarial resources, to deliver an expanded professional capability.

Today AKG's core purpose is in the provision of financial analysis and review services to support the wider financial services sector and its customers.

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This report is issued as at a certain date, and it remains AKG's current assessment with current ratings until it is superseded by a subsequently issued report or subsequently issued ratings (at which point the newly issued report or ratings should be used), or until AKG ceases to make such a report or ratings available.

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