

St. James's Place Group Databook

Full Year Reporting 2025

25

Contents

1. Additional funds under management (FUM) information	page 3
2. Reconciliation of Cash Result expenses to IFRS expenses	page 4
3. Movement in DAC, DIR, PVIF	page 7
4. Operational readiness prepayment asset	page 8
5. European Embedded Value (EEV)	page 9
6. EEV new business margin	page 11
7. EEV economic assumptions	page 12
8. EEV sensitivities	page 13
9. Analysis of the EEV result	page 14
10. Solvency II balance sheet	page 16
11. Solvency II sensitivities	page 17

1. Additional FUM information

- ◆ Discretionary Fund Management (DFM) FUM of £3.70 billion at 31 December 2025 (31 December 2024: £3.49 billion), gross inflows of £0.24 billion for the year (2024: £0.24 billion) and outflows of £0.19 billion (2024: £0.24 billion).
- ◆ SJP AME (Asia & Middle East) FUM of £2.28 billion at 31 December 2025 (31 December 2024: £1.90 billion), gross inflows of £0.33 billion for the year (2024: £0.26 billion) and outflows of £0.17 billion (2024: £0.22 billion).

The following table shows our sustained net inflows and the progression of FUM over the past six years.

Period	Opening FUM	Net inflows	Investment return	Closing FUM
	£'Billion	£'Billion	£'Billion	£'Billion
2025	190.2	6.2	23.6	220.0
2024	168.2	4.3	17.7	190.2
2023	148.4	5.1	14.7	168.2
2022	154.0	9.8	(15.4)	148.4
2021	129.3	11.0	13.7	154.0
2020	117.0	8.2	4.1	129.3

2. Reconciliation of Cash result expenses to IFRS expenses

Whilst certain expenses are recognised in separate line items on the face of the Cash result, expenses which vary with business volumes, such as payments to Partners, third-party administration expenses, and expenses which relate to investment in specific areas of the business such as DFM, are netted from the relevant income lines rather than presented separately. In order to reconcile to the IFRS expenses presented on the face of the consolidated statement of comprehensive income, the expenses netted from income lines in the Cash result need to be added in, as do certain IFRS expenses which by definition are not included in the Cash result. In addition, all expenses need to be converted from post-tax, as they are presented in the Cash result, to pre-tax, as they are presented under IFRS.

Expenses presented on the face of the Cash result before and after tax are set out below.

	Year ended 31 December 2025			Year ended 31 December 2024		
	Before tax	Tax rate	After tax	Before tax	Tax rate	After tax
	£'Million	Percentage	£'Million	£'Million	Percentage	£'Million
Controllable expenses	407.7	25.0%	305.8	388.9	25.0%	291.7
Regulatory fees and FSCS levy	35.2	25.0%	26.4	28.7	25.0%	21.5
Charge structure implementation costs	70.2	25.0%	52.7	79.3	25.0%	59.5
Total expenses presented separately on the face of the Cash result	513.1		384.9	496.9		372.7

The total expenses presented separately on the face of the Cash result before tax then reconcile to IFRS expenses as set out below.

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
Total expenses presented separately on the face of the Cash result before tax	513.1	496.9
<i>Expenses which vary with business volumes</i>		
Other performance costs	172.2	171.0
Payments to Partners	1,347.6	1,134.8
Investment expenses	327.4	115.7
Third-party administration	180.0	172.1
Ongoing Service Evidence provision release	(109.5)	-
Other	46.4	63.4
<i>Expenses relating to investment in specific areas of the business</i>		
Asia expenses	22.3	22.7
DFM expenses	28.9	27.4
Total expenses included in the Cash result before tax	2,528.4	2,204.0
<i>Reconciling items to IFRS expenses</i>		
Amortisation of DAC and PVIF, net of additions	5.3	21.3
Equity-settled share-based payment expenses	19.2	11.2
Insurance contract expenses presented elsewhere	(1.8)	(1.1)
Other	0.8	1.3
Total IFRS Group expenses before tax	2,551.9	2,236.7

Expenses which vary with business volumes

Other performance costs vary with the level of new business and the operating profit performance of the business.

Payments to Partners, investment expenses and **third-party administration costs** are met through charges to clients, and so any variation in them from changes in the volumes of new business or the level of the stock markets does not impact Group profitability significantly.

Each of these items is recognised within the most relevant line of the Cash result, which is determined based on the nature of the expense. In most cases, this is either the net annual management fee or margin arising from new business lines.

Ongoing Service Evidence provision release - in the first half of the year we revised our historic ongoing service evidence review redress methodology. This revision, and experience from the project in the first half, led to a £84.5 million release from the provision on a pre-tax basis at half year. We released a further £25.0 million pre-tax at year-end, reflecting experience from the project in the second half of the year.

Other expenses include the operating costs of acquired financial adviser businesses, donations to the St. James's Place Charitable Foundation and complaints costs.

Expenses relating to investment in specific areas of the business

AME expenses reflect disciplined expense control during the year. **DFM expenses** have been impacted by an organisational redesign during the year.

In the Cash result, AME and DFM expenses are presented net of the income they generate in the **AME – net investment** and **DFM – net investment** lines.

Reconciling items to IFRS expenses

DAC amortisation, net of additions, PVIF amortisation and equity-settled share-based payment expenses are the primary expenses which are recognised under IFRS but are excluded from the Cash result.

Expenses associated with insurance contract expenses are included in the Cash result but are shown within the Insurance service expense rather than the expenses line in line with IFRS 17.

3. Movement in DAC, DIR and PVIF

Movements in DAC, DIR and PVIF are explained and analysed as follows:

IFRS requires certain upfront expenses incurred and income received to be deferred. The deferred amounts are initially recognised on the statement of financial position as a DAC asset and DIR liability, which are subsequently amortised to the consolidated statement of comprehensive income over a future period.

The impact of accounting for DAC, DIR and PVIF in the IFRS result is that there is an accounting timing difference between the emergence of accounting profits and actual cash flows. The following table presents the impact of each of these items on profit before shareholder tax.

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
Amortisation of DAC	(52.8)	(63.4)
DAC on new business for the year	50.7	45.2
Net impact of DAC	(2.1)	(18.2)
Amortisation of DIR	184.5	141.9
DIR on new business for the year	(132.4)	(120.0)
Net impact of DIR	52.1	21.9
Amortisation of PVIF	(3.2)	(3.2)
Movement in year before shareholder tax	46.8	0.5

Following the implementation of our new charging structure during the year, which included the removal of initial product fees, there is now immaterial income being deferred from the point of implementation onwards. Most of the existing DIR liability at that point will amortise over a period of 6 years.

4. Operational readiness prepayment asset

The operational readiness prepayment asset arose from the investment made into our back-office infrastructure project, as we capitalised Bluedoor development costs. The asset stood at £228.1 million at 31 December 2025 (2024: £256.3 million).

It has been amortising through the IFRS statement of comprehensive income and the Cash result since 2017 and will continue to do so over the remaining life of the contract, which at 31 December 2025 is c.9 years. The movement schedule below demonstrates how the operational readiness prepayment has developed over the past two years.

	2025	2024
	£'Million	£'Million
Cost		
At 1 January	450.1	450.1
Additions during the year	-	-
At 31 December	450.1	450.1
Accumulated amortisation		
At 1 January	(193.8)	(166.6)
Amortisation during the year	(28.2)	(27.2)
At 31 December	(222.0)	(193.8)
Net book value	228.1	256.3

The amortisation expense is recognised within third-party administration expenses in the IFRS result, and within the net annual management fee line of the Cash result. It is more than offset by the lower tariff charges on Bluedoor compared to the previous system, which grew as the business grew, benefitting both the IFRS and Cash results.

5. European Embedded Value (EEV)

Wealth management differs from most other businesses, in that the expected shareholder income from client investment activity emerges over a long period in the future. We therefore supplement the IFRS and Cash results by providing additional disclosure on an EEV basis, which brings into account the net present value of the expected future cash flows. We believe that a measure of the total economic value of the Group's operating performance is useful to investors. As in previous reporting, our EEV continues to be calculated on a basis determined in accordance with the EEV principles originally issued in May 2004 by the CFO Forum and supplemented both in October 2005 and, following the introduction of Solvency II, in April 2016. Many of the principles and practices underlying EEV are similar to the requirements of Solvency II, and we have sought to align them as closely as possible.

The following table and accompanying notes summarise the profit before tax of the combined business.

	Note	Year ended 31 December 2025 £'Million	Year ended 31 December 2024 £'Million
New business contribution	1	1,016.6	801.0
<i>Profit from existing business</i>			
– unwind of the discount rate	2	690.3	580.8
– experience variance	3	(53.3)	(136.1)
– operating assumption change	4	61.8	(20.8)
Investment income		25.9	32.5
Funds management business EEV operating profit		1,741.3	1,257.4
Distribution business	5	(18.0)	(77.3)
Other	6	(62.1)	(86.0)
EEV operating profit before exceptional items		1,661.2	1,094.1
Exceptional item: Charge structure	7	59.1	(49.1)
Exceptional item: Ongoing Service Evidence provision	8	109.5	–
EEV operating profit after exceptional items		1,829.8	1,045.0
Investment return variance	9	709.4	533.7
Economic assumption changes	10	37.4	23.5
EEV profit before tax		2,576.6	1,602.2
Tax		(636.5)	(390.5)
EEV profit after tax		1,940.1	1,211.7

A reconciliation between EEV operating profit before tax and IFRS profit before tax is provided in Note 3 Segment reporting within the IFRS consolidated financial statements.

Notes to the EEV result

1. The **new business contribution** for the year at £1,016.6 million (31 December 2024: £801.0 million) was 27% higher than the prior year, reflecting an increase in new business volumes and the implementation of our new simple, comparable charge structure.
2. The **unwind of the discount rate** for the year was higher at £690.3 million (2024: £580.8 million), consistent with the higher opening value of in-force business and higher risk discount rate.
3. The **experience variance** during the year was negative £53.3 million (2024: negative £136.1 million), with the improvement on prior year movement principally reflecting positive expense impacts.
4. The **impact of operating assumption changes** in the year was positive £61.8 million in relation to refinements to persistency assumptions on UK and Asia bonds (2024: negative £20.8 million).
5. The **distribution business** loss includes the positive gross margin arising from advice income less payments to advisers, offset by the costs of supporting the Partnership and building distribution capabilities in AME. The reported loss has reduced due to the positive impact of the implementation of our simple, comparable charging structure in August 2025.
6. **Other** represents a number of miscellaneous items including development expenditure, the costs of running our Academy and the cost of redress associated with client complaints.
7. The **exceptional item: charge structure** reflects final adjustments to the delivery of our new simple, comparable charging structure, with a positive contribution to EEV of £59.1 million (2024: £49.1 million loss, due to developments in the propositional detail within that period).
8. The **exceptional item: Ongoing Service Evidence provision release** reflects the impact of revising our redress methodology for our historic ongoing service evidence review, bringing us into better alignment with new industry guidance issued by the FCA around ongoing financial advice services, and our experience from the project to date.
9. The **investment return variance** reflects the capitalised impact on the future annual management fees resulting from the difference between the actual and assumed investment returns. Given the size of our FUM, a small difference can result in a large positive or negative variance.

The typical investment return on our funds during the year was 12% growth after charges, compared to the assumed investment return of 7%. This resulted in a positive investment return variance of £709.4 million (2024: positive £533.7 million).
10. The positive **economic assumption changes** variance of £37.4 million arising in the year (2024: positive £23.5 million) reflects small favourable improvements in expected long-term real yields.

6. EEV new business margin

The largest single element of the EEV operating profit (analysed in the previous section) is the new business contribution. The level of new business contribution generally moves in line with new business levels.

To demonstrate this link, and aid understanding of the results, we provide additional analysis of the new business margin (the margin).

This is calculated as the new business contribution divided by the gross inflows, and is expressed as a percentage.

The table on the right presents the margin before tax from our manufactured business.

	Year ended 31 December 2025	Year ended 31 December 2024
Investment		
New business contribution (£'Million)	164.9	115.4
Gross inflows (£'Billion)	3.0	2.4
Margin (%)	5.5%	4.8%
Pension		
New business contribution (£'Million)	651.2	527.2
Gross inflows (£'Billion)	13.9	12.1
Margin (%)	4.7%	4.4%
Unit trust and DFM		
New business contribution (£'Million)	200.5	158.4
Gross inflows (£'Billion)	5.0	3.9
Margin (%)	4.0%	4.0%
Total business		
New business contribution (£'Million)	1,016.6	801.0
Gross inflows (£'Billion)	21.9	18.4
Margin (%)	4.6%	4.4%
Post-tax margin (%)	3.5%	3.3%

7. EEV economic assumptions

The principal economic assumptions used within the cash flows at 31 December are set out below.

	Year ended 31 December 2025	Year ended 31 December 2024
Risk-free rate	4.8%	4.8%
Inflation rate	3.0%	3.6%
Risk discount rate	7.8%	7.8%
Future investment returns:		
– Gilts	4.8%	4.8%
– Equities	7.8%	7.8%
– Unit-linked funds	7.0%	7.0%

The risk-free rate is set by reference to the yield on ten-year gilts. Other investment returns are set by reference to the risk-free rate.

The inflation rate is derived from the implicit inflation in the valuation of ten-year index-linked gilts. This rate is increased to reflect higher increases in earnings-related expenses.

8. EEV sensitivities

The table below shows the estimated impact on the reported value of new business and EEV to changes in various EEV-calculated assumptions. The sensitivities are specified by the EEV principles and reflect reasonably possible levels of change. In each case, only the indicated item is varied relative to the restated values.

	Note	Change in new business contribution		Change in EEV
		Pre-tax	Post-tax	Post-tax
		£'Million	£'Million	£'Million
Value at 31 December 2025		1,016.6	767.2	10,456.3
100bps reduction in risk-free rates, with corresponding change in fixed interest asset values	1	(7.9)	(6.1)	(33.4)
10% increase in withdrawal rates	2	(63.0)	(47.4)	(469.1)
10% reduction in market value of equity assets	3	-	-	(939.9)
10% increase in expenses	4	(10.0)	(7.6)	(76.5)
100bps increase in assumed inflation	5	(11.2)	(8.5)	(64.7)

Notes to the EEV sensitivities

1. This is the key economic basis change sensitivity. The business model is relatively insensitive to change in economic basis. Note that the sensitivity assumes a corresponding change in all investment returns but no change in inflation.
2. The 10% increase is applied to the withdrawal rate. For instance, if the withdrawal rate is 8% then a 10% increase would reflect a change to 8.8%.
3. For the purposes of this sensitivity all unit-linked funds are assumed to be invested in equities. The actual mix of assets varies and in recent years the proportion invested directly in UK and overseas equities has exceeded 70%.
4. For the purposes of this sensitivity only non-fixed elements of the expenses are increased by 10%.
5. This reflects a 100bps increase in the assumed RPI underlying the expense inflation calculation.

	Change in new business contribution		Change in EEV
	Pre-tax	Post-tax	Post-tax
	£'Million	£'Million	£'Million
100bps reduction in risk discount rate	130.8	98.4	920.0

Although not directly relevant under a market-consistent valuation, this sensitivity shows the level of adjustment which would be required to reflect differing investor views of risk.

9. Analysis of the EEV result

The table below provides a summarised breakdown of the embedded value position at the reporting dates.

	31 December 2025	31 December 2024
	£'Million	£'Million
Value of in-force business	8,845.2	7,401.9
Solvency II net assets	1,611.1	1,440.6
Total embedded value	10,456.3	8,842.5

	31 December 2025	31 December 2024
	£	£
Net asset value per share	19.84	16.25

The EEV result above reflects the specific terms and conditions of our products. Our pension business is split between two portfolios. Our current product, the Retirement Account, was launched in 2016 and incorporates both pre-retirement and post-retirement phases of investment in the same product. Earlier business was written in our separate Retirement Plan and Drawdown Plan products, targeted at each of the two phases separately, and therefore has a slightly shorter term and lower new business margin.

Our experience is that much of our Retirement Plan business converts into Drawdown Plan business at retirement, but, in line with the EEV guidelines, we are required to defer recognition of the additional value from the Drawdown Plan until it crystallises. If instead we were to assess the future value of Retirement Plan business (beyond the immediate contract boundary) in a more holistic fashion, in line with Retirement Account business, this would result in an increase of approximately £291.0 million to our embedded value at 31 December 2025 (31 December 2024: £279.0 million).

Alternative performance measure (APM)	Definition	Why is this measure used?
Total embedded value	<p>A discounted cash flow valuation methodology, assessing the long-term economic value of the business.</p> <p>Our embedded value is determined in line with the European Embedded Value (EEV) principles originally set out by the Chief Financial Officers (CFO) Forum in 2004, and amended for subsequent changes to the principles, including those published in April 2016, following the implementation of Solvency II.</p>	<p>Life business and wealth management business differ from most other businesses, in that the expected shareholder income from the sale of a product emerges over a long period in the future. We therefore supplement the IFRS and Cash results by providing additional disclosure on an embedded value basis, which brings into account the net present value of expected future cash flows, as we believe that a measure of the total economic value of the Group is useful to investors.</p>

10. Solvency II balance sheet

An analysis of the Solvency II position for our Group, split by regulated and non-regulated entities at the year-end, is presented in the table below.

	31 December 2025				31 December 2024
	Life	Other regulated	Other	Total	Total
	£'Million	£'Million	£'Million	£'Million	£'Million
Solvency II net assets	356.3	493.1	761.7	1,611.1	1,440.6
Value of in-force (VIF)	3,463.1	-	-	3,463.1	2,992.4
Risk margin	(441.9)	-	-	(441.9)	(373.0)
Own funds (A)	3,377.5	493.1	761.7	4,632.3	4,060.0
Solvency capital requirement (B)	(2,360.9)	(148.0)	-	(2,508.9)	(2,104.1)
Solvency II free assets	1,016.6	345.1	761.7	2,123.4	1,955.9
Solvency ratio	143%	333%		185%	193%

We target a solvency ratio of 130% for St. James's Place UK plc, our largest insurance subsidiary. The combined solvency ratio for our life companies, after payment of the year-end intra-Group dividend, is 143% at 31 December 2025 (31 December 2024: 154%).

11. Solvency II sensitivities

The table below shows the estimated impact on the Solvency II free assets, the SCR and the solvency ratio of changes in various assumptions underlying the Solvency II calculations. In each case, only the indicated item is varied relative to the restated values.

The solvency ratio is not very sensitive to changes in experience or assumptions and, due to our approach of matching unit-linked liabilities with appropriate assets, can move counter-intuitively depending on circumstances, as demonstrated by the sensitivity analysis presented below.

		Solvency II free assets	Solvency II capital requirement	Solvency ratio
	Note	£'Million	£'Million	%
Value at 31 December 2025		2,123.4	2,508.9	185%
100bps reduction in risk-free rates, with corresponding change in fixed interest asset values	1	2,055.8	2,512.3	182%
10% increase in withdrawal rates	2	2,109.2	2,358.9	189%
10% reduction in market value of equity assets	3	2,141.0	2,147.0	200%
10% increase in expenses	4	2,078.4	2,500.4	183%
100bps increase in assumed inflation	5	2,069.2	2,504.2	183%

Notes to the Solvency II sensitivities

1. This is the key economic basis change sensitivity. The business model is relatively insensitive to change in economic basis. Note that the sensitivity assumes a corresponding change in all investment returns but no change in inflation.
2. The 10% increase is applied to the lapse rate. For instance, if the lapse rate is 8% then a 10% increase would reflect a change to 8.8%.
3. For the purposes of this sensitivity all unit-linked funds are assumed to be invested in equities. The actual mix of assets varies and in recent years the proportion invested directly in UK and overseas equities has exceeded 70%. The sensitivity reflects the impact of changes in the equity dampener on market risk capital.
4. For the purposes of this sensitivity all expenses are increased by 10%.
5. This reflects a 100bps increase in the assumed RPI underlying the expense inflation calculation.



SJP



The 'St. James's Place Partnership' and the titles 'Partner' and 'Partner Practice' are marketing terms used to describe St. James's Place representatives. Members of the St. James's Place Partnership in the UK represent St. James's Place Wealth Management plc, which is authorised and regulated by the Financial Conduct Authority. St. James's Place Wealth Management plc Registered Office: St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP, United Kingdom. Registered in England Number 4113955.