



Risk and compliance Facing the Future

Wealth and Asset Management
Risk and ICARA Benchmarking Survey

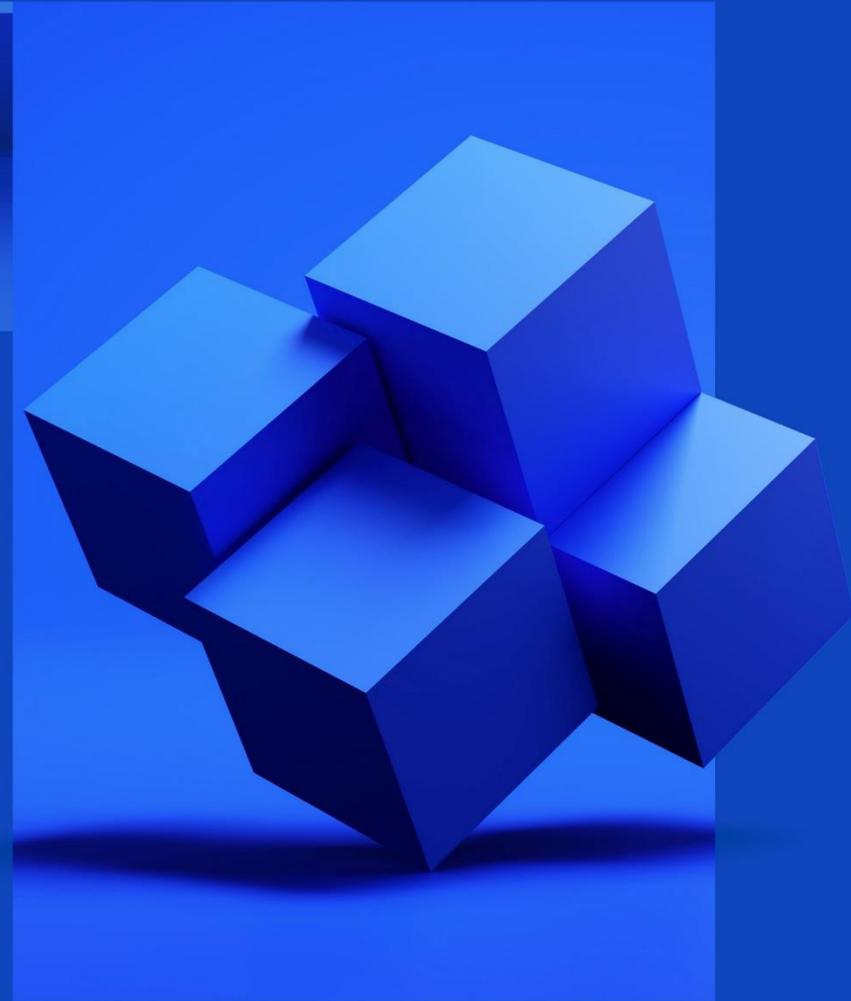
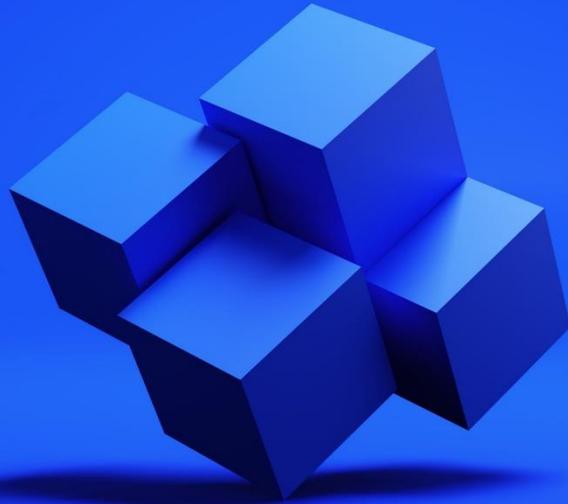


Table of Contents



01 Summary and Background
3

02 Risk management & compliance trends
6

03 Growth & Competitiveness
13

04 Private Markets
16

05 Digital Innovation
21

06 Protecting Investors
27

07 Firm & System Resilience
32

08 ESG
35

09 Prudential
38

01 Summary and Background



Executive summary



Innovation and technology is a key theme running throughout this year's report.

Both in terms of the risks that firms are facing, and how these can be addressed and mitigated in practice.

As in previous iterations, the Risk Management and ICARA benchmarking survey for the wealth and asset management sector focuses on three key areas:

Risk management and compliance trends



Most strikingly in the trends observed this year, cyber and operational resilience have catapulted to the top of the agenda in terms of risks considered to be the most impactful by firms. Margin pressure, whilst still relevant, has eased in comparison to last year.

These trends were reflected in the most in demand risk and compliance skillsets reported by firms, with technology-related skills relating to operational resilience, cyber, third-party risk management and AI topping the table.

In the face of margin pressures and the deployment of AI, average reported risk and compliance headcount has increased compared to last year, although this was driven by increases at the largest firms that participate in the survey.

Most firms continue to operate some form of integrated risk and compliance function. More than half of firms have risk staff in or supporting the first line of defence, while the opposite is the case for compliance staff.

Evolving areas of regulation



As the growth and competitiveness agenda picks up pace and simplification is a policy priority, the UK authorities have been busy rolling out reforms.

However, this year's survey finds that most firms expect the impact of the reforms on their ability to innovate and grow to only be 'limited'.

Despite this, product innovation continues at pace with active ETFs, model portfolio solutions and retail private asset vehicles being reported as the most popular looking ahead.

Growing private markets are attracting increased regulatory scrutiny. This year's report explores which asset classes in this space are perceived as the riskiest and how firms are reflecting on their products and risk and compliance capabilities.

We also explore evolving AI use cases and the role of the second line, key Consumer Duty challenges, firms' progress with embedding operational resilience, and their stance on reforms to key ESG regulations.

Financial Resilience



Across the survey, firms continue to demonstrate increasing maturity in their approaches to ICARA, liquidity risk management and Wind-down plans. Capital and liquidity requirements remain largely driven by firms' own self-assessments. These have increased, reflecting growth in business size and complexity, particularly among larger and more vertically integrated firms.

We have also observed an industry-wide trend of firms reevaluating their underlying approaches, methodologies and assumptions in the ICARA and Wind-down plans. For some, this can lead to significant capital and liquidity benefits where they have been overly prudent.

Wind-down planning remains a key supervisory focus. In response, firms are increasingly improving the operability of their plans through testing, detailed playbooks and clearer governance. Encouragingly, some firms are now actively using wind-down planning to simplify business models, reduce execution risk and manage capital and liquidity more efficiently.

About the research

Our 2025 benchmarking approach

Our benchmarking survey, now in its 11th year, focuses on UK-based wealth and asset management firms. This includes wealth managers, boutique and global asset managers, investment platforms and vertically integrated firms with services across all of this value chain. The participants range in size from small boutique asset managers through to the largest buy-side firms in the UK. All firms included in our survey are prudentially regulated by the Financial Conduct Authority (FCA) and subject to the Investment Firms Prudential Regime (IFPR).

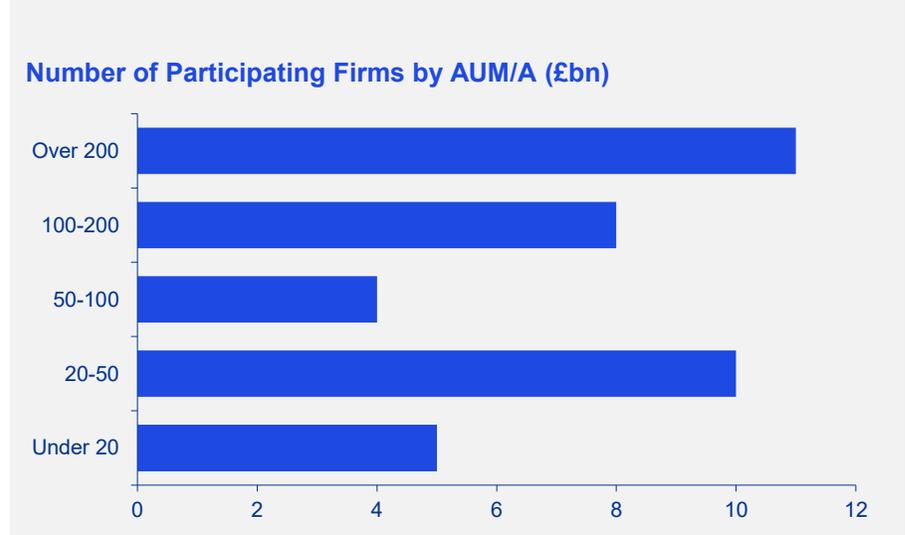
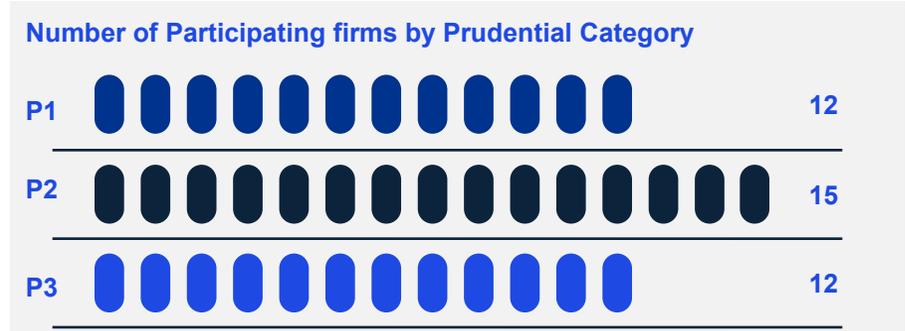
Participant background

This year's survey is based on 39 participating firms of various scale as indicated by their assets under management, advice, or administration ("AUM/A")¹. 11 participants manage assets in excess of £200 billion while 5 firms have less than £20 billion under management. In total, survey participants manage, advise or administer over £8.7 trillion of assets.

Acknowledgments

We would like to thank all of the firms that participated in the survey.

A special thanks to our survey team: Adam Kyle, Harundeep Sandhu, Matthew Giusti, David Collington, Karthik Lappathi, Michael Johnson, Robert Crawford, Georgia Hunter, Ash Harris, Phoebe Willoughby Hannington, and Neil Coutts.



“Our survey participants are responsible for over £8.7 trillion of assets under management, advice or administration.

The range of their size and activities means the survey provides an industrywide view of the trends in Risk, Compliance and financial resilience across the sector.

¹ Note that throughout our report we use the term AUM/A to refer to the assets that each firm manages, administers or advises on. This includes AUM/A from both MiFID activities and also other regulated activities outside of MiFID (e.g. managing a UCITS) and is based on participants' own definitions of AUM/A.

02 Risk management & compliance trends

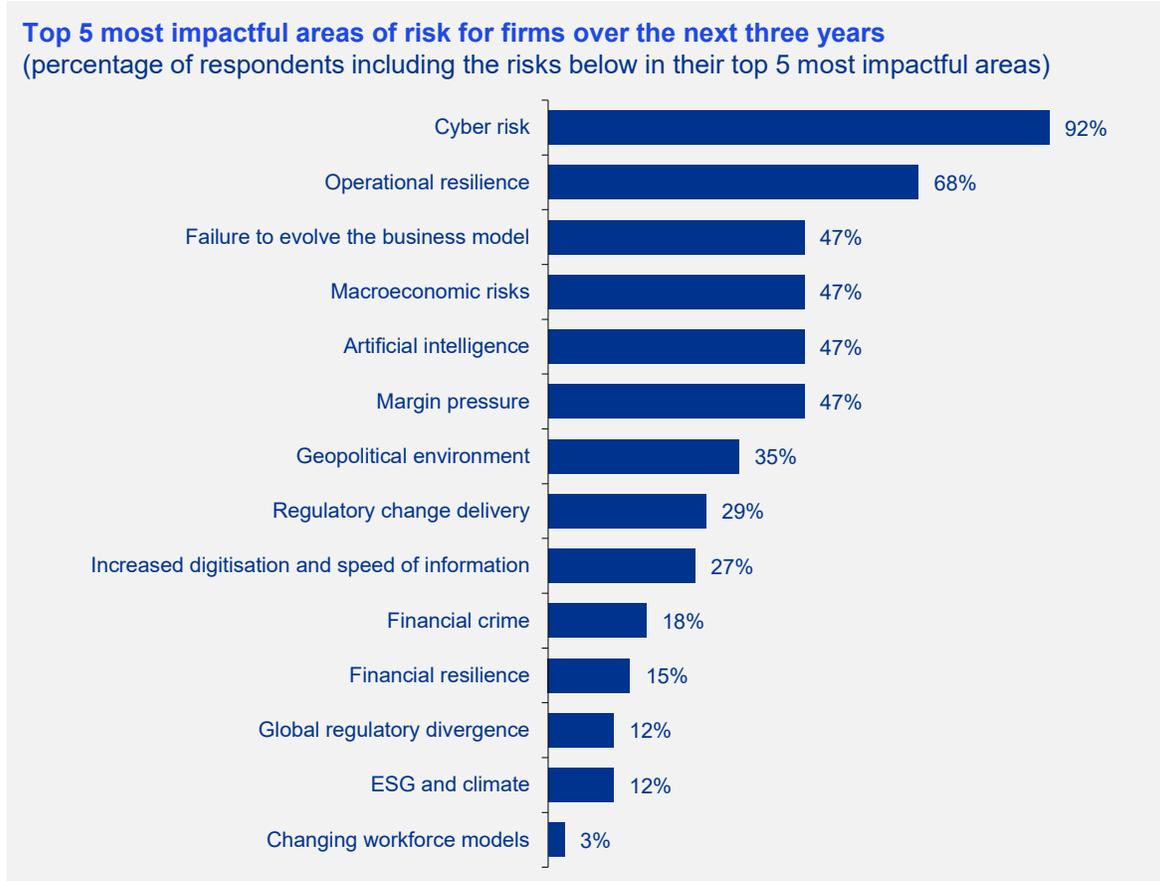


Top risks for firms

Cyber risk was most commonly identified as a top 5 impactful risk area for respondents, with almost all participants identifying it as a priority. Operational resilience followed closely behind.



- ### Trends in the data
- Cyber risk is now the biggest concern for firms, with 92% of respondents capturing it as a top 5 risk (up from 52% last year).
 - Operational resilience also moved up the list from 48% of respondents identifying it as a top five risk last year to 68% in this year's report.
 - Margin pressure risk has eased from last year's peak (when it was the second most reported top 5 risk). However, it remains a concern for firms.
 - Equally in focus for firms are failure to evolve the business model, AI, and macroeconomic risks, each being captured by 47% of respondents. All these themes were more commonly captured this year compared to last year.
 - Geopolitical environment risk has fallen from third last year to seventh this year.
 - Risks relating to ESG and climate, global regulatory divergence and changing workforce models were all cited less frequently this year compared to last year.



KPMG View

Cyber risk placing as the highest priority risk area reflects the continued acceleration of digitalisation, increased reliance on third party technology, a persistently elevated threat environment and regulatory scrutiny.

Similarly, operational resilience ranking closely behind is likely driven by regulatory expectations, complex operating models, and lessons learned from recent disruption events.

AI presents significant opportunities as well as risks to be managed. We expect it to continue to move up firms' risk agendas as further use cases are developed and implemented. In parallel, risk and compliance functions will need to evolve their approach and skillsets.

Although the geopolitical environment has fallen down the ranking compared to last year, combining the results for this category and macroeconomic risks unsurprisingly point to ongoing heightened concerns from firms about unpredictable political developments and their potential impact.

It is perhaps surprising that financial crime featured relatively infrequently in firms' top five risk areas, given the significant and ongoing regulatory scrutiny that some firms are experiencing in this space.

Headcount across Risk and Compliance functions

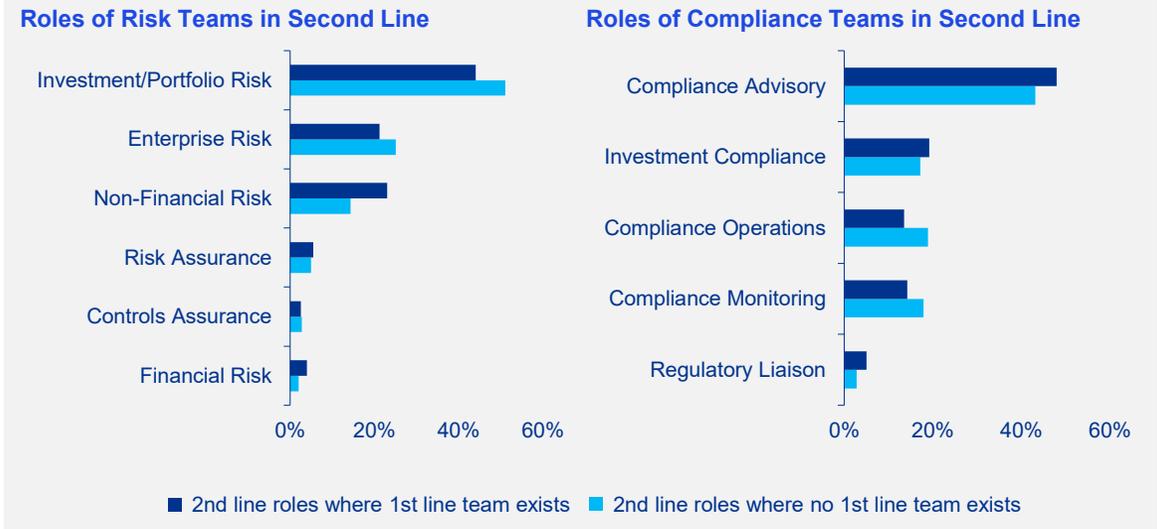
Average first and second line Risk and Compliance headcount has increased compared to last year's report, although this is driven by a reported increase at larger firms. Investment risk and compliance advisory staff make up the majority of roles in the second line.



- ### Trends in the data
- Reported total average headcount across Risk and Compliance functions when considering all respondents has increased from 64 FTE in last year's report to 87 in this year's report.
 - However, reported average FTE fell slightly in each category of firm apart from firms that have more than £200bn assets under management or administration – for these firms the total average FTE increased from 95 to 124.
 - For second line Risk teams, the function that most staff sit in relates to investment/portfolio risk. For second line Compliance teams, the equivalent function is compliance advisory.
 - The data shows that the existence of a first line Risk and Compliance function (or lack of one) does not significantly impact on how staff are allocated to roles in the second line.



The arrows above depict the directional change compared to reported headcount in last year's report.



KPMG View

In the face of ongoing margin pressure and increasing efforts to deploy AI, it is notable that total reported Risk and Compliance FTE has increased in comparison to last year's report.

This increase is likely to be driven at the largest firms by expansion into new products and services and hiring in some of the most in demand areas covered previously – for example in relation to cyber, resilience, technology and private markets.

In addition, multi-jurisdictional operations, diverse product sets, and more mature risk appetites require deeper specialist oversight functions.

The slight drop in headcount reported by smaller firms may reflect a drive for greater efficiency, or a small shift towards some firms using third-party services providers to carry out specific tasks – for example compliance monitoring activities.

The lack of a significant variance between the reported allocation of second line roles where a first line Risk or Compliance team exists could suggest that some firms are continuing to explore how they can best optimise and operationalise their three lines of defence model (see more under "Design of Risk and Compliance functions").

Skillsets

There is very strong demand for technology-driven Risk and Compliance capabilities, in comparison to more traditional skillsets.



- ### Trends in the data
- Operational resilience and cyber-related skills remain the strongest areas of demand, each at 62%. The prioritisation of these skillsets is closely aligned with respondents' perceived risks (see previous slide).
 - Wider technology-related skills are also clearly in demand – for example AI (noted by 51% of firms), third party risk management (46%) and technology risk skills (46%).
 - Private assets compliance experience has risen up the priority order in comparison to last year.
 - ESG and sustainability has dropped significantly in comparison to last year (from 63% to 22%).
 - Financial crime skills demand has slightly decreased from 77% last year to 41% but remains moderately strong.
 - More traditional technical skillsets, such as cross-border distribution, marketing compliance and corporate financial risk are relatively less in demand.



KPMG View

The findings suggest that skill-related demands within second line Risk and Compliance functions are firmly anchored around operational resilience and cyber skills, reflecting the importance of these perceived risks, regulatory scrutiny, and firms' continued exposure to operational disruption and cyber threats.

The strong showing for other technology-related topics such as AI, technology risk and third-party risk management reinforces the message that second line functions must keep pace with rapid technological change and evolving delivery models.

The relative rise in demand for private assets skills and fall in ESG-related skills potentially reflects how these subjects have been relatively reprioritised on the regulatory agenda, with fewer new large-scale ESG-related developments coming into force and with existing requirements relatively well embedded. Meanwhile firms' growing private asset businesses are under greater regulatory scrutiny.

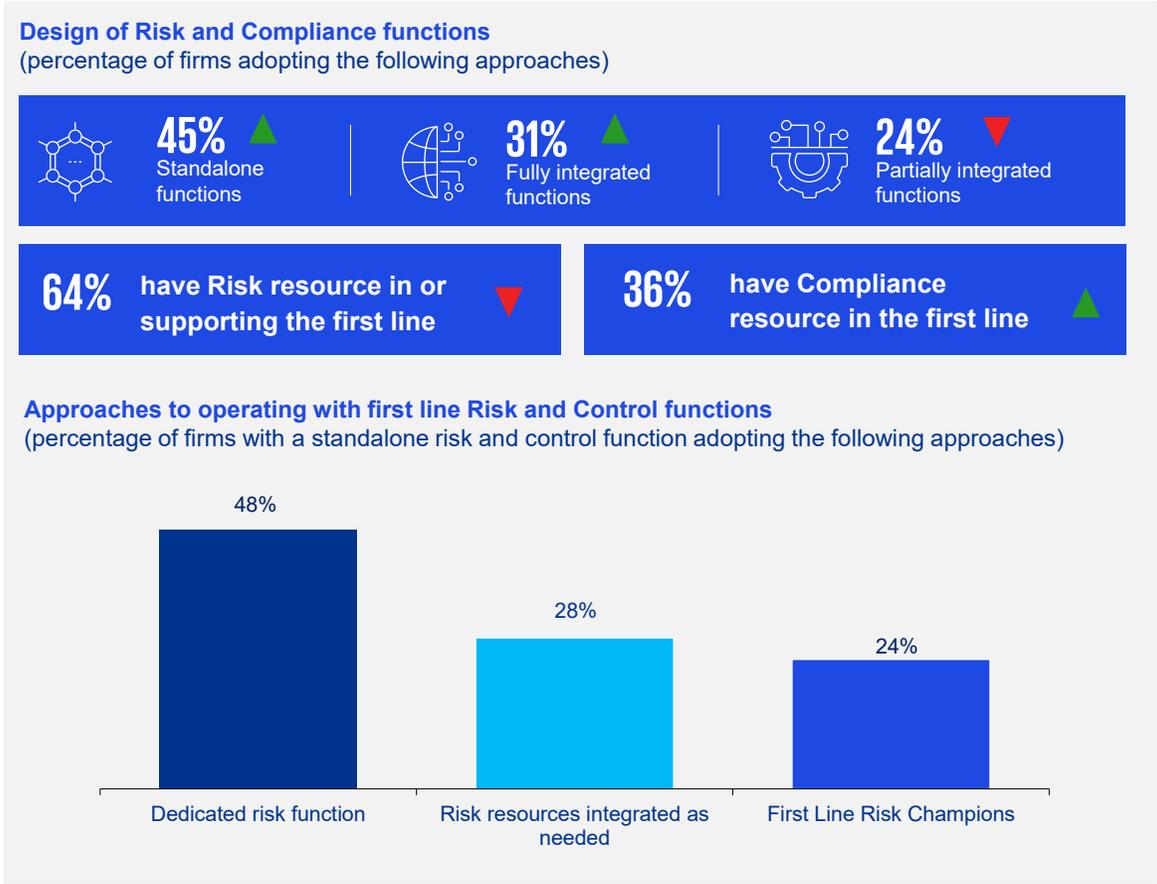
Overall, the results highlight a shift toward technologically enabled risk management, with skills demand shaped by the immediacy of regulatory expectations and perceived impact on firm resilience.

Design of Risk and Compliance functions

The reported design of firms' Risk and Compliance functions is stable in comparison to last year's report, with only minor changes in terms of integrated or standalone functions and the role of first line staff.



- ### Trends in the data
- Compared with last year's report, the percentage of firms operating standalone second line functions (where Risk and Compliance teams are functionally separate) is largely unchanged (+1%).
 - More firms reported operating fully integrated Risk and Compliance functions (+5%) and fewer reported operating partially integrated functions (-6%).
 - The percentage of firms reporting Risk or Compliance resources in or supporting the first line was largely unchanged for both functions.
 - Similarly, there were also only very small changes in terms of how firms structure and operate their first line Risk and Control functions. Dedicated risk functions continue to be most popular, followed by the integration of risk resources as needed, with the use of first line risk champions being the least common.



KPMG View

As ever, there is no universal approach to the design of Risk and Compliance functions.

Broadly speaking, the results indicate that firms' approaches remain relatively settled for now, with only minor changes being reported in how firms design their Risk and Compliance in comparison to last year's report.

Historically, there was a real trend towards various forms of integration, with a key focus on centralising certain common risk and compliance activities like reporting, data management, RCSA, event and breach management. Such an approach may be more connected in practice but the merit of separating these functions lies in clarity around the purpose of doing so.

As the risk landscape grows more technical and fast-moving, we are seeing a continued demand for distinct, specialised units. Increasingly, specialisms are seen as absolutely crucial to the dynamic nature of managing risk.

A 'risk-in-the-first-line' model can also allow for more agile compliance by design where individuals who can talk risk are directly aligned to functional areas. The feedback loop is more instantaneous with these models.

First line responsibilities for Risk and Compliance

In comparison to last year, risk event identification/assessment activities overtook risk event management, while investment compliance took top spot in terms of the most common compliance activity performed in the first line of defence.



- ### Trends in the data
- In comparison to last year's report, risk identification and assessment overtook risk event management to become the most common risk-related activity performed by first line teams.
 - In terms of significant year-on-year changes in Risk activities performed in the first line, "chairing business line risk committees" increased from 41% of relevant respondents to 54% of relevant respondents.
 - Where firms have a first line Compliance function, the most common activity undertaken is investment compliance/guideline monitoring, followed by marketing compliance and then regulatory horizon scanning and regulatory change management.



KPMG View

The findings confirm the important role that Risk and Compliance teams play in the first line of defence. This reflects firms' efforts to embed risk ownership closer to day-to-day decision-making.

The prominence of risk identification, assessment, and event management suggests that firms continue to expect the business to manage operational and conduct risks proactively, rather than relying on second-line challenge after the fact.

A standout trend in this year's results is the shift towards more investment compliance and guideline monitoring being performed in the first line of defence. The survey indicates that the vast majority of firms now have guideline monitoring in the first line.

The need to standardise and optimise these processes and governance arrangements in the first line has been an operational priority for firms, particularly as investment strategies become more complex and demands on data increase.

These first line compliance roles are typically reporting to the COO or Front Office COO and own coding as part of improved client on-boarding, central rule maintenance, and the corresponding pre and post trade monitoring activity.

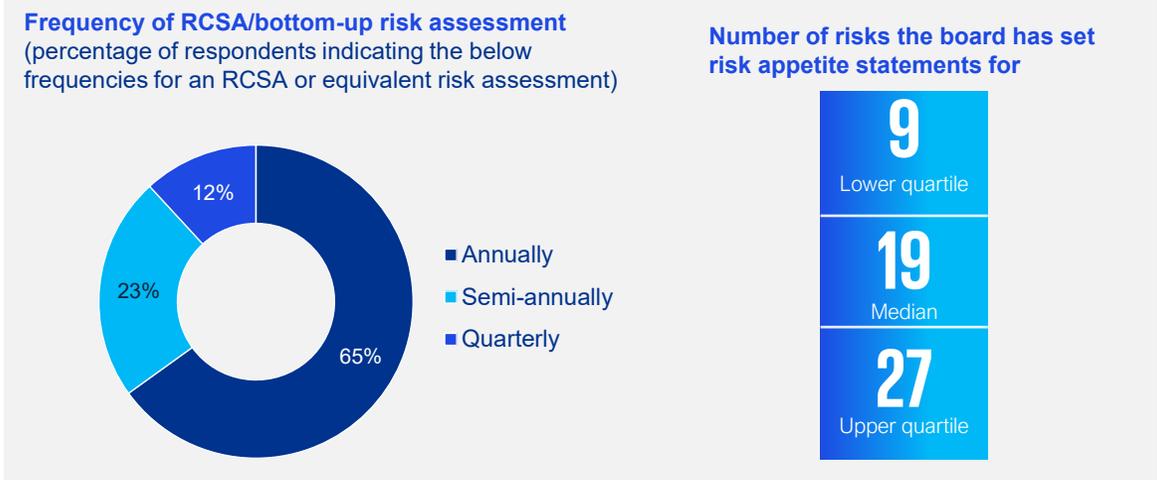
Risk appetite and RSCA

A quantitative approach with a qualitative overlay is the most common approach to determining risk appetite status for board reporting. Most firms conduct their RSCA annually.



Trends in the data

- Respondents reported a range of approaches to determining risk appetite status (e.g. red/amber/green) for board reporting.
- In total, 74% of firms use an approach that blends quantitative and qualitative methods. A small minority reported using a purely quantitative approach and a further small minority use only a qualitative approach.
- Respondents reported a range in the number of risks that the board has set risk appetite statements for.
- Similarly, a range of principal non-financial risk categories were reported (with the median number being 10 categories).
- Most respondents reported that the RSCA or equivalent bottom-up risk assessments are performed at least annually (65%). A smaller proportion of respondents conduct these assessments more frequently, including semi-annually (23%) and quarterly (12%). No respondents reported performing a monthly RSCA or equivalent bottom-up risk assessment.



KPMG View

The results highlight that risk appetite frameworks are predominantly driven by quantitative metrics, either standalone or supplemented by qualitative judgement, reflecting regulatory expectations for measurable, auditable thresholds.

The material use of qualitative overlays indicates recognition that not all risks, particularly emerging or non-financial risks, can be fully captured through metrics alone.

The reported frequency of RSCA and bottom-up risk assessments suggests firms are balancing proportionality with supervisory expectations.

While annual RSCA assessments remain the norm, we foresee a potential move to more dynamic RSCA processes as AI use cases are rolled out over time (see more in the Digital Innovation section of this report).

Overall, the findings point to incremental enhancements of risk appetite and assessment processes, rather than fundamental redesign, as firms seek to expand their insights into the business without materially increasing operational burdens.

03 Growth & Competitiveness



The impact of UK regulatory reforms

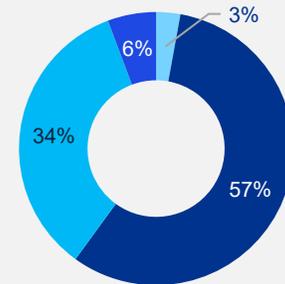
Although the growth and competitiveness agenda is in full swing, the majority of firms consider that the impact of regulatory reforms by the UK authorities will only be limited.



Trends in the data

- Firms' responses indicate that recent UK policy and regulatory reforms have not been hugely impactful to date. 57% of respondents reported the reforms are perceived to have only a limited impact on their ability to innovate and grow and 3% suggested there will be no impact at all.
- More positively, 34% note that a moderate impact is being felt, while 6% expect there to be a significant positive impact. No respondents indicated there has been a "transformational" impact.
- We asked about two specific developments to gauge their impact on growth and competitiveness – the review of existing requirements regarding risk warnings and the introduction of the FCA's Consumer Composite Investments disclosure regime.
- The results across both questions were broadly aligned, with most respondents indicating there will be only a limited impact, with a smaller contingent expecting a moderate impact. Few saw the changes as significant and none saw the changes as transformational.

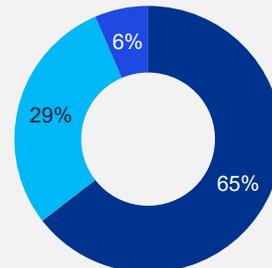
Impact of UK regulatory and policy reforms on innovation & growth



■ No impact ■ Limited impact ■ Moderate impact ■ Significant positive impact

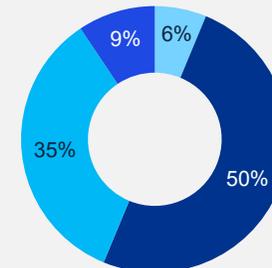
Expected impact of selected regulatory developments

The review of risk warning requirements



■ No impact ■ Limited impact ■ Moderate impact ■ Significant positive impact

The Consumer Composite Investments regime



■ No impact ■ Limited impact ■ Moderate impact ■ Significant positive impact

KPMG View

The FCA and the government have embarked on a programme of regulatory simplification, seeking to remove duplicative requirements, improve the efficiency of regulatory processes and adopt a more proportionate stance where appropriate.

In parallel, there have been several initiatives that seek to boost retail investment and increase retail participation in the UK's capital markets.

The survey results in this context indicate some progress has been made in terms of improving firms' ability to innovate and grow. However, the reforms are perceived by most respondents as being unlikely to have more than a limited or moderate impact.

Given the large number of consultations that have been necessary to facilitate the reforms, some may call into question whether reforms to date they have been radical enough. Others will point to increased divergence between UK and EU rules for firms operating in both jurisdictions.

One of the key challenges for the FCA and firms is that simplification needs to be sufficiently impactful to make any operational changes worthwhile, whilst ensuring the UK remains broadly aligned with other international asset management centres.

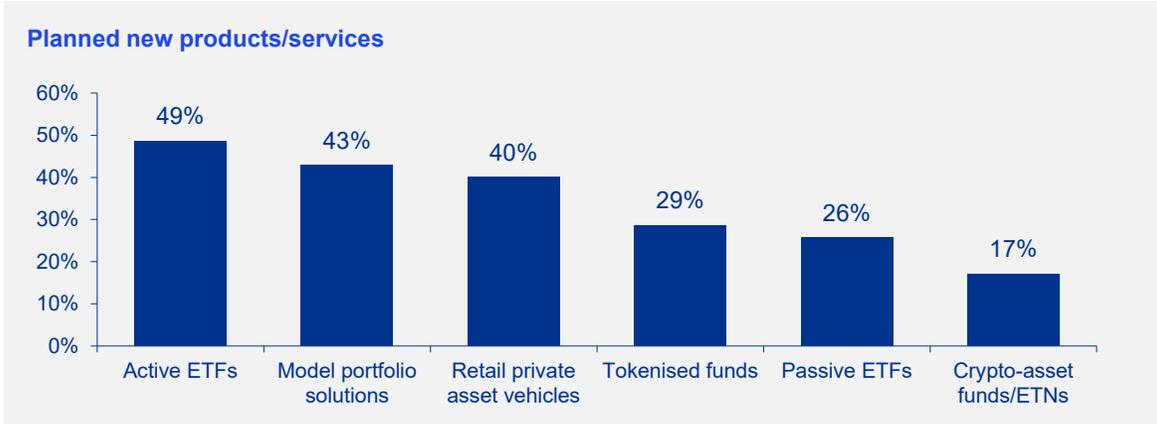
Growth opportunities and barriers

Firms are innovating in several areas and plan on bringing a variety of new products to market. Legacy systems and regulatory uncertainty and complexity are seen as the biggest barriers to growth.



Trends in the data

- When it comes to innovation, firms are prioritising:
 - AI-driven efficiencies
 - Improving the digital client experience and data-led personalisation (including the use of AI)
 - Expansion into new products and tokenising assets
 - Simplifying operational processes, and modernising cloud and digital infrastructure
- Most firms are planning updates to their product range, with responses indicating new launches are expected in a variety of areas. Almost half of respondents (49%) are looking to move into active ETFs, with model portfolio solutions (MPS) and retail private asset vehicles also being popular choices (43% and 40% respectively).
- Respondents could select up to three barriers to growth. 61% of respondents suggested legacy operating models and inflexible processes are the greatest challenge to capturing growth opportunities, followed by 58% who flagged regulatory uncertainty or interpretation complexity.



KPMG View

Innovation has the potential to bring significant benefits to wealth and asset management firms and their clients as they seek to differentiate themselves in a competitive market whilst controlling costs.

Unsurprisingly, AI is seen as having an important role to play both in bringing about innovation and delivering efficiencies (see more on this in the "Digital innovation" section).

When it comes to products, we are seeing very high levels of innovation across the market, with firms seeking to meet their clients' demands, improve the client experience, and deliver new revenue streams.

Recent regulatory changes in key EU jurisdictions have facilitated the launch of active ETFs. And there is of course ongoing interest in bringing private assets to retail investors, although this must be done in a controlled manner (see more in the "Private markets" section). It is perhaps surprising that more firms are not planning to launch tokenised funds, given the significant industry interest in this topic.

The prominence of barriers to innovation such as budget prioritisation, legacy operating models, and technology and data limitations indicates many firms are still dealing with foundational transformation challenges.

04 Private Markets



Perceived risks and challenges

Private credit is perceived as the riskiest asset class within private markets over the next 12 months. Manual controls and data limitations are seen as the biggest challenges for risk and compliance functions.



Trends in the data

- Most firms viewed private credit as the riskiest asset class within private markets for the coming year (49%), followed by private equity (40%).
- Where firms cited broader risks, these related to open-ended fund liquidity, as well as technology stocks and cryptocurrencies.
- Firms cited manual controls and limited data automation (29%) as the biggest risk and compliance challenge in private markets. The remaining responses were distributed relatively evenly.



KPMG View

The rapid growth of the private markets industry has placed it firmly in the regulatory spotlight. Questions are being asked as to whether risk and compliance functions have kept pace.

Private credit edged out private equity as the asset class perceived as most risky by respondents. This likely reflects in part the developments in the private credit market towards the end of 2025. High profile bankruptcies prompted firms to accelerate their reviews of risk management processes and have prompted more probing questions from regulators. Firms are now revisiting their due diligence, monitoring and risk management capabilities (you can read more on this in our dedicated publication [here](#)).

More broadly, it is especially noteworthy that the Bank of England is undertaking a system-wide exploratory scenario (SWES) exercise, focused on risks from the private markets ecosystem. This will evaluate the impact of a severe but plausible global downturn on firms and their portfolios and the actions they would take in response.

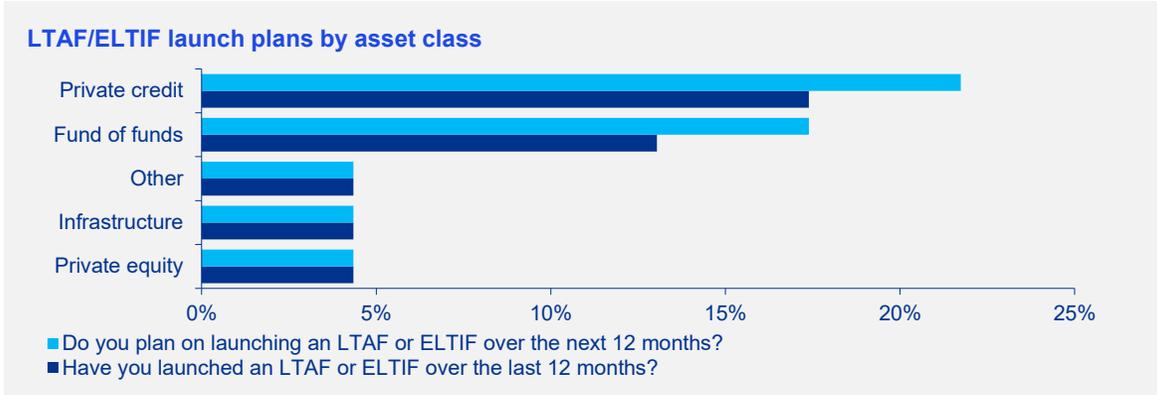
When it comes to risk and compliance challenges, the reported challenges relating to manual controls resonate with our experience, where aspects of private market businesses and processes could benefit from greater automation. The remaining responses point to a need to more closely align risk and control frameworks with private market asset classes and processes.

The retailisation of private assets

Private credit is the leading asset class for recent and planned LTAF and ELTIF launches, while liquidity risk management remains the top barrier to launching retail private asset funds.



- ### Trends in the data
- The launch patterns for LTAFs and ELTIFs across different asset classes remain broadly consistent when comparing the past 12 months with firms' expectations for the next 12 months.
 - Only a small proportion of firms responding to the survey (around 27%) have launched or plan to launch an LTAF or ELTIF. This partly reflecting the business models of some respondents (i.e. they are not fund managers with a private asset capability).
 - Among those with launch activity, private credit is the most likely asset class to be chosen, followed by fund-of-funds strategies.
 - The most significant barrier to an effective LTAF or ELTIF launch is considered to be liquidity risk management. Thereafter, operational considerations, valuation challenges and investor protection and distribution considerations were ranked very evenly. Compared with last year's survey, liquidity risk management remains firmly as the top concern, while valuation and investor protection have risen in relative importance.



KPMG View

Several years on from the launch of the UK's LTAF and the EU's ELTIF 2.0 frameworks, we are seeing accelerating interest in launching these products and bringing private assets to pension schemes and to sophisticated and retail investors.

This is one example of product innovation being explored by firms (see the section on "Growth and competitiveness" for other examples being explored).

It is interesting that private credit is seen as the riskiest asset class within private markets – but at the same time it is also the most popular asset class for launching LTAF or ELTIF vehicles where there is a greater potential for investor harm. This underlines the need for firms to carefully consider appropriate safeguards when it comes to the manufacture and distribution of these products.

Launching retail private asset vehicles remains a tricky task – open-ended fund expertise and private asset experience need to be seamlessly combined, whilst tackling specific challenges for these products.

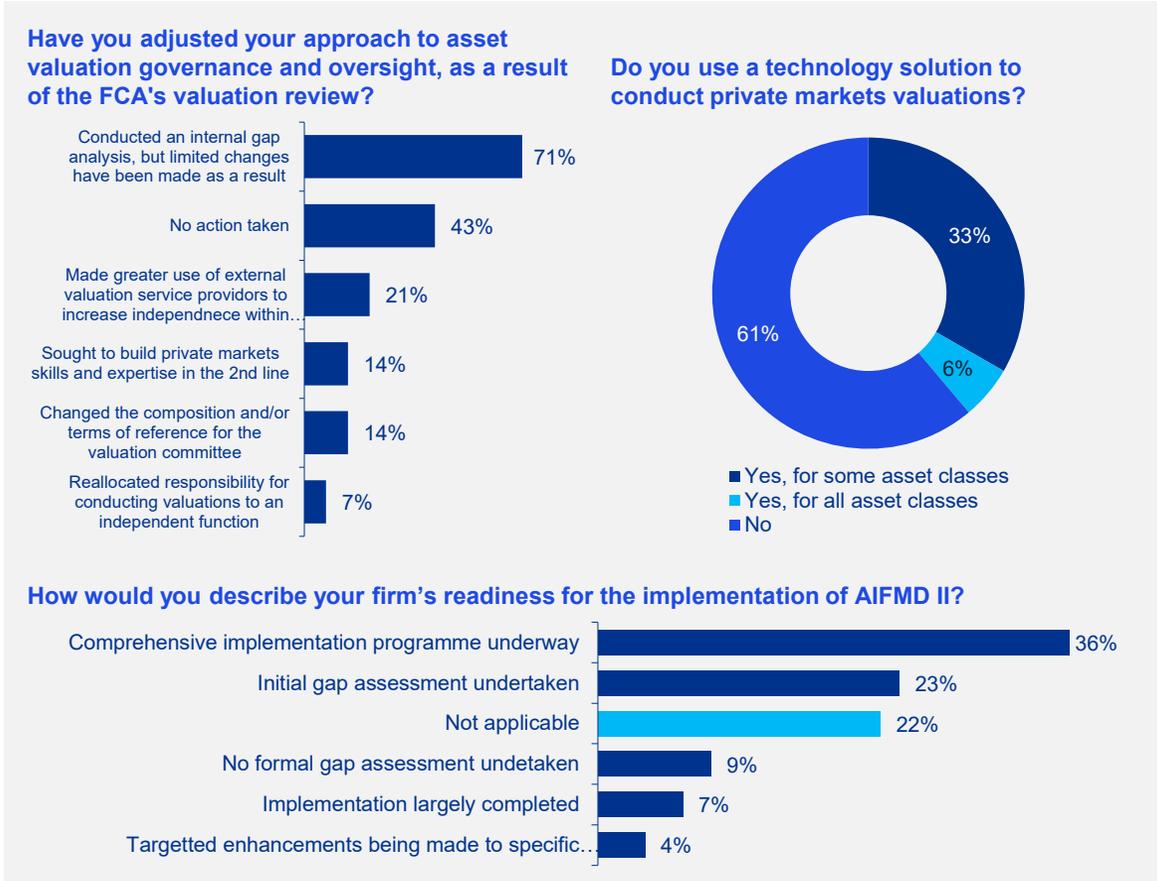
Unsurprisingly, liquidity management continues to be seen as the greatest challenge when it comes to launching these products. However, it is interesting that valuation and investor protection have risen up the order of perceived challenges compared to last year's survey, likely reflecting the FCA's focus on valuation governance and Consumer Duty embedding.

Responding to regulatory scrutiny

Relatively limited actions have been taken regarding valuation governance in response to the FCA's supervisory review. Most firms are in the middle of implementation programmes to be ready for the EU's AIFMD II.



- ### Trends in the data
- Firms' responses to the FCA's valuation review have been relatively limited, with 43% taking no action and the most common activity being internal gap analysis with minimal changes (71%).
 - Only a small number of firms made structural changes, such as increased use of external valuation providers to promote valuation independence (21%), building second-line expertise (14%), or revising valuation governance arrangements (14%).
 - Technology adoption in private-markets valuation remains low: 61% do not use a technology solution, and only 6% have a solution covering all asset classes.
 - At the time of the survey, readiness for the EU's AIFMD II package was mixed. 36% of firms reported a comprehensive implementation programme was underway, while 23% had completed an initial gap assessment. Just 7% of firms reported that preparations were largely complete, and 9% had not yet started.



KPMG View

We have seen a spectrum of responses to the FCA's valuation multi-firm review – from modest tweaks to planned multi-year enhancement programmes. Actions taken have typically focused on reviewing committee composition and operations, standardising processes, reviewing model governance arrangements, and considering greater use of external advisers to support the valuation process.

There is a continued reliance on manual processes for private asset valuation and technology adoption remains limited, indicating a broader industry trend of slow digitalisation in more complex asset classes.

Meanwhile, preparation for the EU's AIFMD II package is underway but uneven, with most firms still mid-implementation and with some work to complete ahead of the April 2026. Out of the changes that are coming for EU fund managers, in our view the most significant challenges relate to the new regime for firms that manage loan-originating AIFs. Firms will need to implement effective policies, procedures and processes for granting and maintain loans and ensure relevant funds meet prescribed limits.

The second most impactful changes in our view relate to fund liquidity management, where uplifts will be needed around how firms define, choose, activate and monitor liquidity management tools.

Managing conflicts of interest

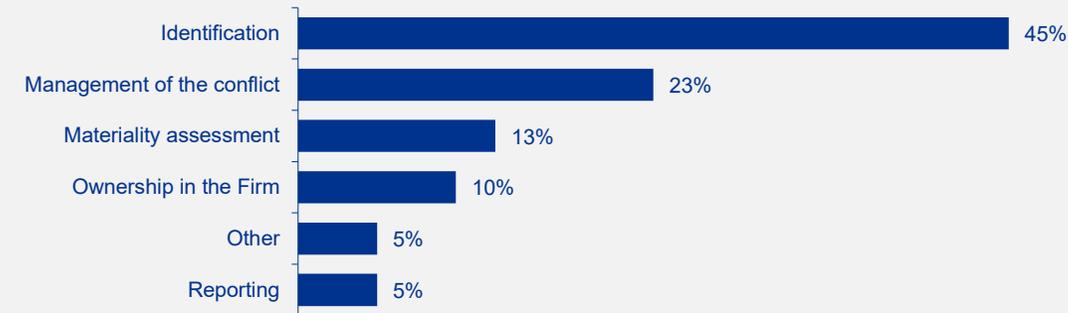
Firms see identification of conflicts as the biggest challenge. Responses to the FCA’s supervisory review vary, with just over a third of firms having taken only minimal action to date.



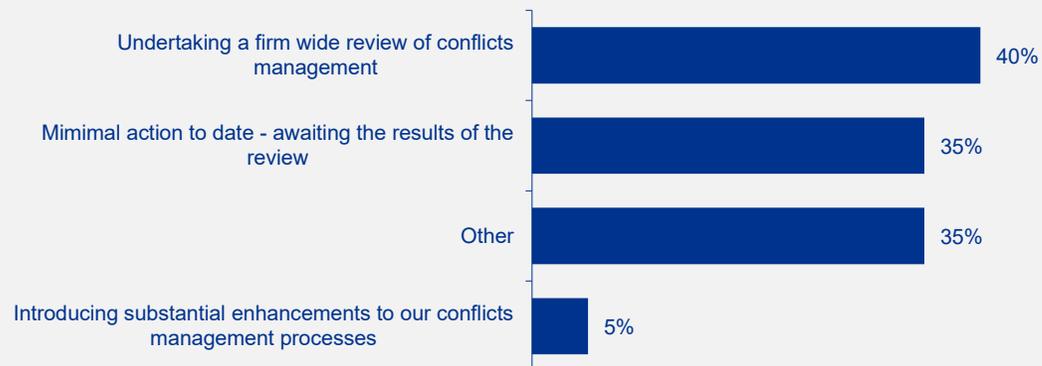
Trends in the data

- The most challenging aspect of conflicts of interest frameworks for firms is conflicts identification, cited by 45% of respondents. This suggests that firms continue to struggle with capturing potential conflicts across business lines, products, and client interactions. Management of conflicts is the second-largest challenge at 23%, indicating challenges in operationalising controls once conflicts are found. Other challenges include materiality assessment (13%) and determining ownership within the firm (10%).
- In response to the FCA’s ongoing multi-firm review, 40% of firms have undertaken a firm-wide review of their conflicts management arrangements. However, 35% indicate minimal action taken to date, with some reporting this is due to awaiting further FCA communications or considering that existing processes are sufficient. Only 5% reported introducing substantial enhancements. 35% responded with “other”, noting for example that reviews are already embedded in BAU cycles or that actions have already been taken in response to past FCA feedback.

What is the most challenging aspect regarding conflicts of interest?



What actions have you taken in light of the FCA’s thematic review on conflicts of interest?



KPMG View

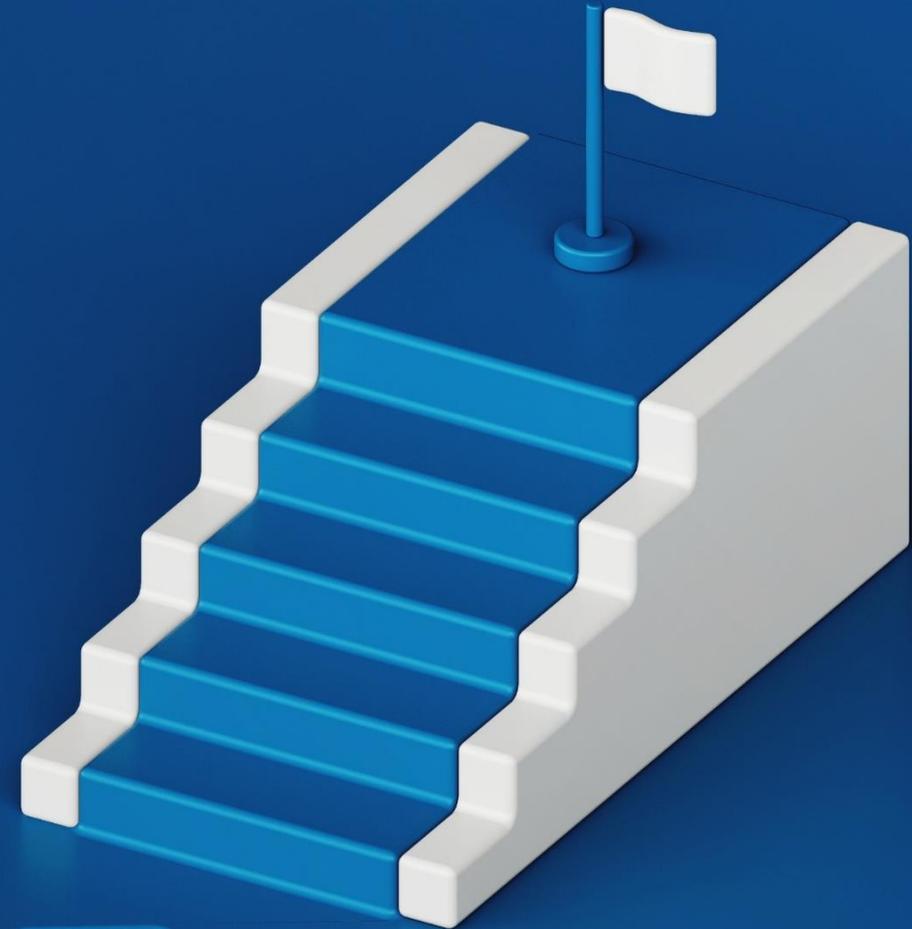
Taking the lead from IOSCO, the FCA has stepped up scrutiny of conflicts of interest in the private markets industry by launching its multi-firm review.

Across the industry, conflicts of interest frameworks remain under scrutiny, with firms still grappling primarily with identifying conflicts early and consistently, a theme reflected in the FCA’s recent areas of supervisory focus.

Strategically, this points to an industry still transitioning toward stronger governance, clearer accountability models, and more data-enabled conflict monitoring, as regulators continue to prioritise conduct, fairness and transparency within the asset management sector.

Good conflicts management centres around robust frameworks (with associated policies, procedures and registers), practical decision-making frameworks, effective governance arrangements (with appropriate escalation mechanisms) and clearly capturing evidence and outcomes that are appropriate and defensible.

05 Digital Innovation



AI use cases over the next 12-18 months

Firms are prioritising AI for document-related tasks rather than for more transformational purposes. Firms are reasonably confident in their AI governance arrangements but some see room for improvement.



Trends in the data

- Most firms plan to use AI for practical efficiency gains, with 62% prioritising document summarisation and policy interpretation. Investment research is also a focus for 35%, while 29% are directing AI toward regulatory-related tasks such as reporting, marketing compliance, and financial-crime monitoring.
- The majority of participants (61%) indicated that they are moderately confident with AI governance that is still maturing, and 21% of respondents were confident that AI governance is clear and operationalised. At the extremes, only 3% of respondents were highly confident, whilst 15% noted that key gaps remain to be addressed.

Use cases for AI prioritised over the next 12-18 months



Confidence that AI governance is sufficient to manage AI-related risks



KPMG View

The findings reveal a disconnect between some publicity around AI use cases and the reality of progress to date. The results suggest firms are currently prioritising AI use cases that deliver immediate efficiency gains and are easier to implement within existing control frameworks.

The strong focus on document summarisation and policy interpretation reflects areas where AI can increase efficiency, reduce cost, and improve consistency without directly influencing customer or investment decisions. These use cases typically rely on structured inputs and produce outputs that remain subject to human review, helping firms manage risks and accountability.

Investment research and financial crime analytics also feature prominently, indicating growing confidence in applying AI to insight generation where benefits are clear but oversight remains feasible.

More transformative applications such as using AI for portfolio construction and suitability assessments appear to be less of a priority, likely reflecting the greater effort and risks that could be associated with those critical activities.

The moderate level of confidence in AI governance suggests that governance approaches are maturing but further improvements are required.

The benefits and impact of AI in the second line

Various benefits are foreseen for the second line with using AI, the most popular being efficiencies and reduced manual workloads. Most firms anticipate that risk and compliance headcount will remain broadly stable.



- ### Trends in the data
- All participants stated an expected benefit from adopting AI was increased efficiency and reduced manual workload.
 - Some respondents also expected improved management information (55%) and improved monitoring and detection capability (52%) from using AI.
 - The majority of participants (52%) expect risk and compliance headcount to remain broadly stable but with a material shift in skills.
 - A few respondents (6%) foresee a net reduction in headcount or a net increase (3%) in headcount to support new controls and governance.



KPMG View

The results suggest that firms primarily view AI as an enabler of operational effectiveness rather than a driver of fundamental change within risk and compliance at this stage.

The emphasis on efficiency, enhanced insight, and improved monitoring reflects continued pressure to manage regulatory demands within constrained budgets and legacy operating models. AI is being positioned to improve existing processes, improve decision support, and strengthen detection capabilities, particularly in areas such as surveillance and management information.

It is reassuring that most firms expect that second line headcount will remain broadly stable in the face of AI implementation, but it is notable that second line skills will need to adapt.

The anticipated shift in skills is likely to revolve around the growing demand for AI literacy, model oversight, and judgement-based roles to interpret AI outputs.

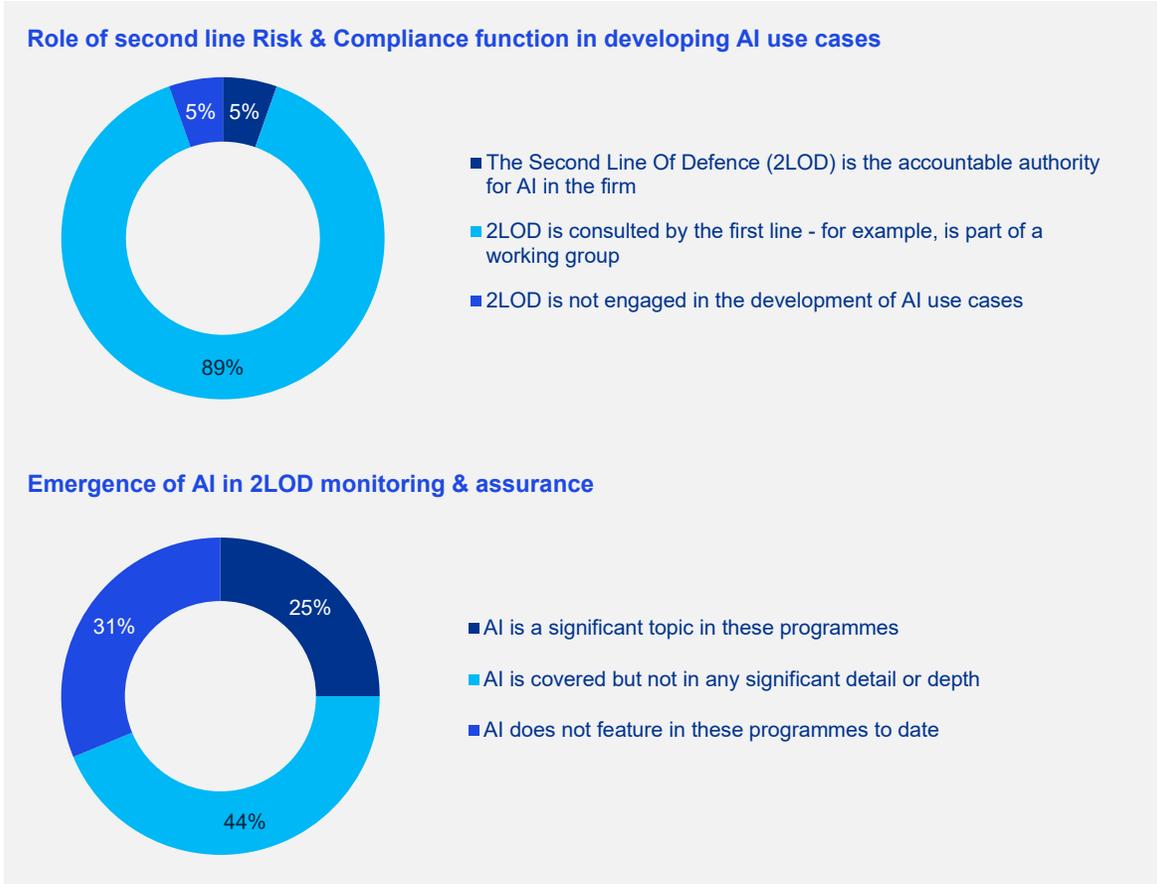
Overall, the findings point to cautious adoption, with second line functions seeking productivity gains while maintaining robust governance and accountability.

The role of the second line

As expected, in most cases the second line is consulted by the first line when it comes to developing AI use cases. AI features in second line monitoring and assurance programmes to varying degrees.



- ### Trends in the data
- The vast majority of respondents (89%) engage the second line of defence in a consultive capacity during AI use case development. This was quite a significant increase compared to last year (74%).
 - At the extremes, 5% of respondents make the second line directly accountable for AI use case development. Another 5% report there is no engagement of the second line in the development of AI use cases – this was quite a significant decrease compared to last year (22%).
 - When it comes to monitoring and assurance, nearly half of firms (44%) responded that AI is covered but coverage remains surface level.
 - While 25% of firms stated that AI was a significant topic in monitoring and assurance work, almost one third (31%) of respondents stated that AI has not featured in these programmes to date.



KPMG View

The findings indicate that the second line of defence is playing an increasingly important governance and oversight role in firms' AI journeys, providing consultation, check and challenge as new solutions are implemented.

It is particularly notable that compared to last year, the second line is more likely to play a consultative role in the development of use cases (with fewer functions playing no role at all).

This reflects regulatory expectations that AI risk, governance, and ethical considerations are subject to independent challenge and oversight, which naturally sits with the second line.

Regarding second line monitoring and assurance programmes, it was surprising that for almost a third of firms, AI has not featured at all in second line monitoring and assurance programmes to date, especially as it has the potential to pose emerging risks in the business or to client outcomes.

We expect some firms are likely to begin capturing AI as a theme in their monitoring programmes as use case implementation accelerates.

Implementing AI in the second line

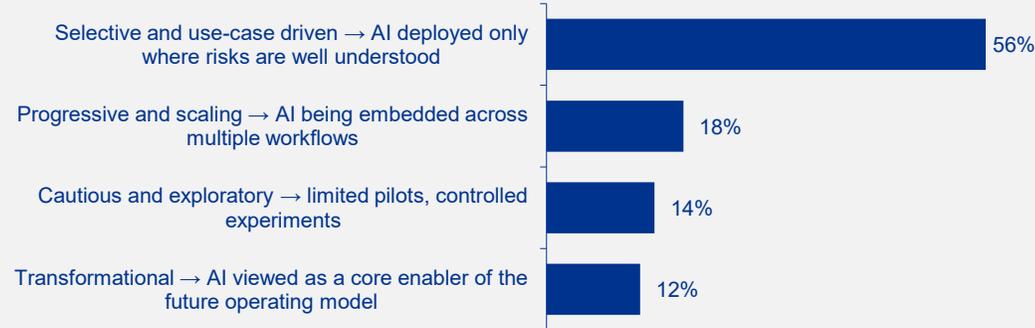
Second line AI use cases are predominantly selectively chosen and use-case driven. Adoption to date has largely focused on limited pilots and targeted use cases.



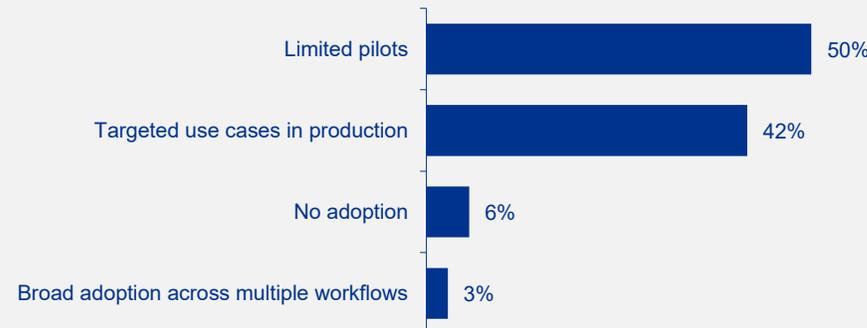
Trends in the data

- The majority of participants (56%) indicated that AI would be used selectively in the second line and only deployed where risks are well understood.
- Otherwise, there was a relatively even split of responses around firms' strategic postures towards AI – across progressive, cautious and transformational approaches.
- Half of risk and compliance functions have been adopting AI in processes in the form of limited pilots, and 42% reported having deployed targeted use cases.
- Only 3% of firms reported broad adoption of AI across multiple workflows, while 6% of firms had not adopted AI at all in their risk and compliance processes.

Firm's strategic postures towards AI in risk and compliance



Adoption of AI in risk and compliance processes



KPMG View

The results suggest that firms are approaching the implementation of AI in risk and compliance with caution, prioritising control, explainability, and regulatory confidence over rapid or enterprise-wide deployment.

The focus on selective use cases and limited pilots indicates that AI is currently viewed as a tactical enabler rather than fundamentally enhancing the operating model.

This stance is likely driven by concerns around data quality, governance, and accountability, particularly in a function where outcomes must be transparent and defensible. It may also be driven by legacy systems and skills gaps.

Overall, the findings point to an incremental adoption path, with firms building confidence and capability ahead of more transformational use of AI in risk and compliance.

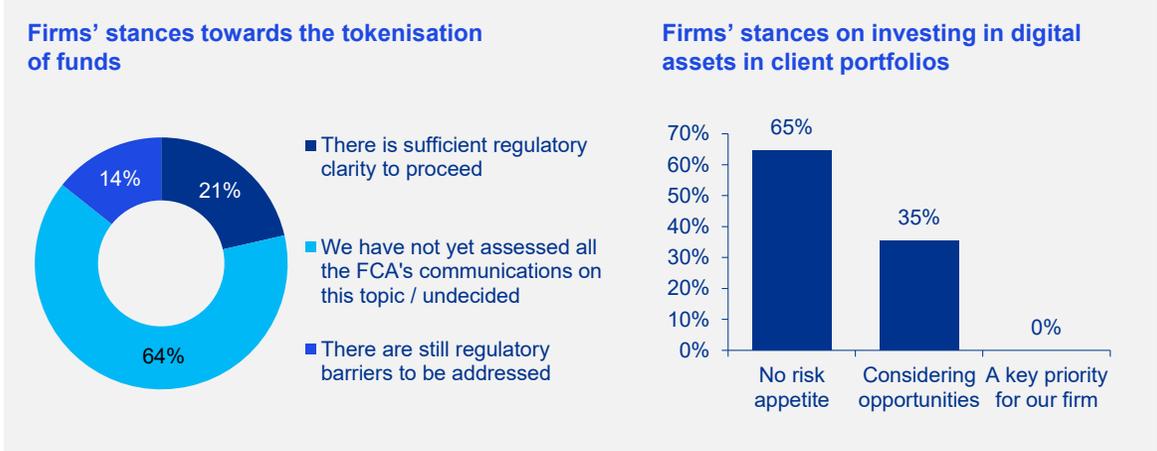
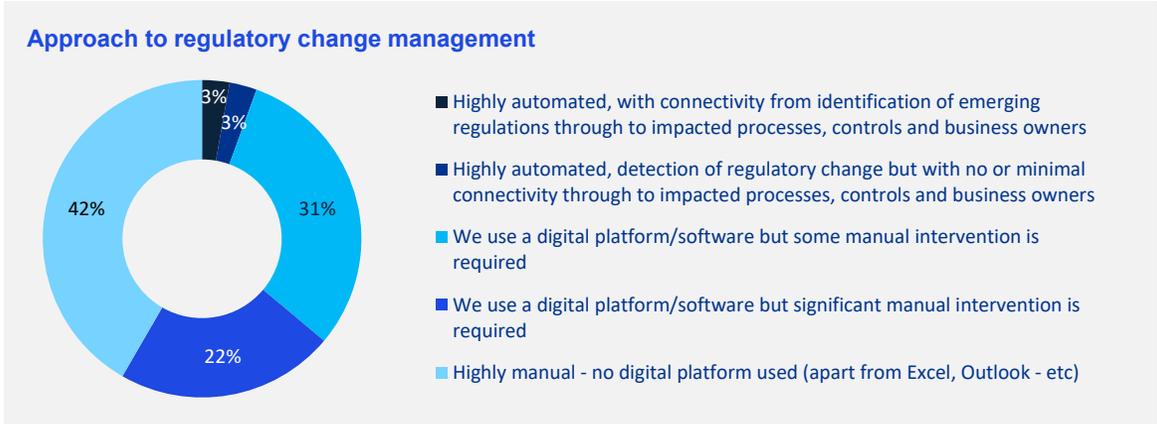
Wider trends in innovation

Manual processes remain prevalent in regulatory change processes. The majority of firms are considering their stance on fund tokenisation, and have no risk appetite to invest client portfolios in digital assets.



Trends in the data

- For regulatory change management, 42% of respondents rely on highly manual processes, using tools like Excel and Outlook rather than dedicated platforms. 31% of respondents use digital software but some manual intervention is required. Only 6% of respondents had some form of highly automated process.
- Regarding fund tokenisation, most firms (64%) are considering their stance. Only 21% of respondents consider there is sufficient regulatory clarity to proceed.
- Most firms remain cautious when it comes to digital assets, with 65% indicating no risk appetite for investing client portfolios in digital assets. 35% are open to exploring opportunities. No respondents indicated that investing in digital assets was a key priority for their firm.



KPMG View

The results highlight that many firms continue to be at an early stage of maturity in the digitalisation of regulatory change, with a continued reliance on manual processes and tactical tooling.

This likely reflects the difficulty of embedding highly effective tools and integrating them with existing systems and approaches. An additional challenge is attempting to improve regulatory change processes as a "side of desk" project, when in reality successful programmes require significant resources.

The broadly cautious stance on tokenisation and digital assets to some extent reflects the evolving regulatory landscape in the UK. Following the publication of CP25/28 with guidance for operating tokenised funds, a policy statement and final guidance should follow. This is likely to alleviate some concerns about regulatory uncertainty.

When it comes to digital assets, most firms remain cautious, especially as the performance of underlying cryptoassets remains volatile. This may change in future as the FCA introduces a new regulatory regime for cryptoassets, which is currently under consultation.

06 Protecting Investors

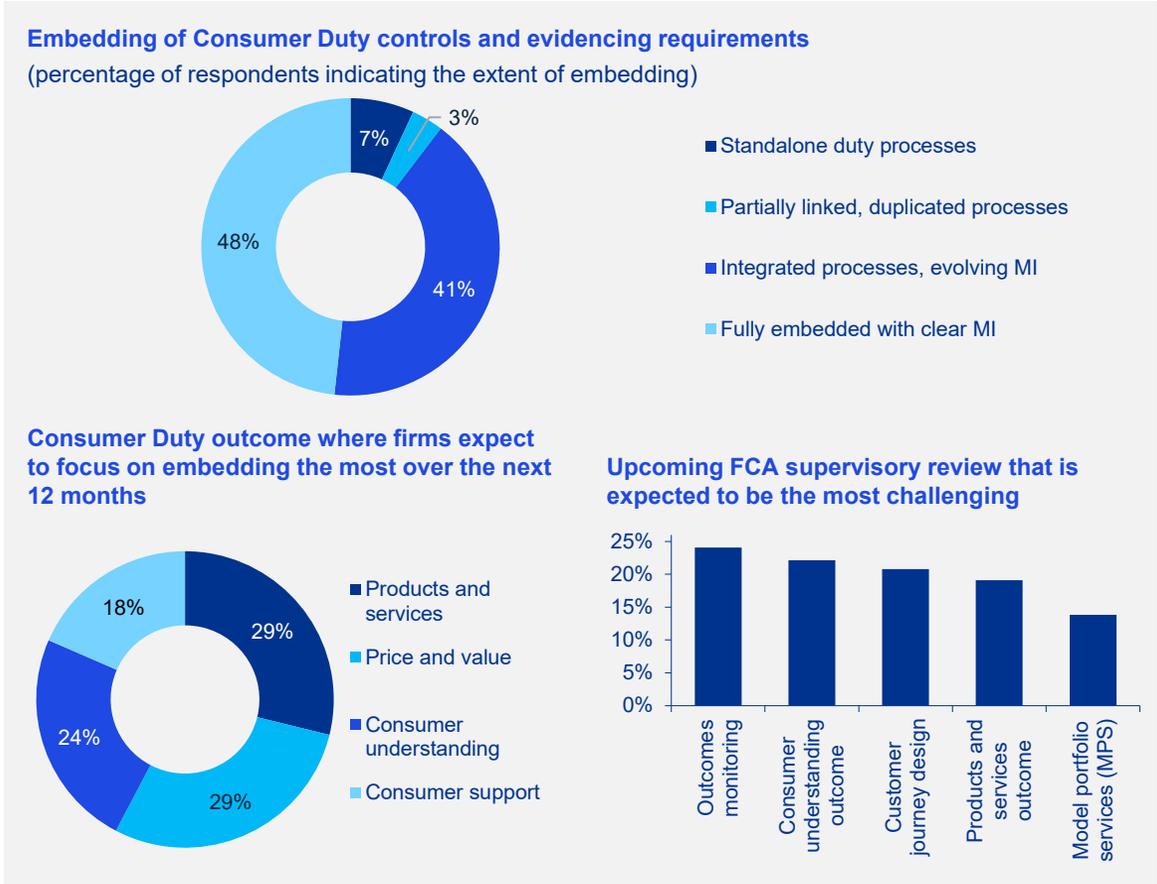


Embedding the Consumer Duty

Firms are at different stages of embedding the Duty, with less than half reporting that it is fully embedded. The FCA's supervisory review on outcomes monitoring is expected to be the most challenging FCA review.



- ### Trends in the data
- Less than half of firms report that the Consumer Duty requirements have been fully embedded, indicating that implementation remains ongoing across much of the market. The distribution of responses highlights varying degrees of maturity, with a proportion of respondents still in earlier stages of embedding the Duty.
 - In terms of the four Duty outcomes, firms plan to focus most on embedding the products and services and price and value outcomes, followed by consumer understanding, then consumer support.
 - When asked about upcoming FCA supervisory reviews, a weighted analysis of responses indicates that outcomes monitoring is perceived to be the most challenging.



KPMG View

Almost three years on from the Consumer Duty taking effect, firms are at various stages of their journey to embed the FCA's expectations throughout their business.

In our experience, while some firms have tried to embed the Duty into all relevant processes and governance arrangements, for others it remains to some extent integrated only at a surface level. For all firms it is likely that further work on embedding the Duty will be necessary, even the 48% of respondents that felt the Duty has already been fully embedded.

There is a relatively even distribution of responses around which of the four Consumer Duty outcomes firms will focus on embedding most. It is perhaps surprising that products and services and price and value remain most in focus for most firms, given that many firms in the population will have needed to comply with the FCA's rules on product governance and assessments of value for some years now.

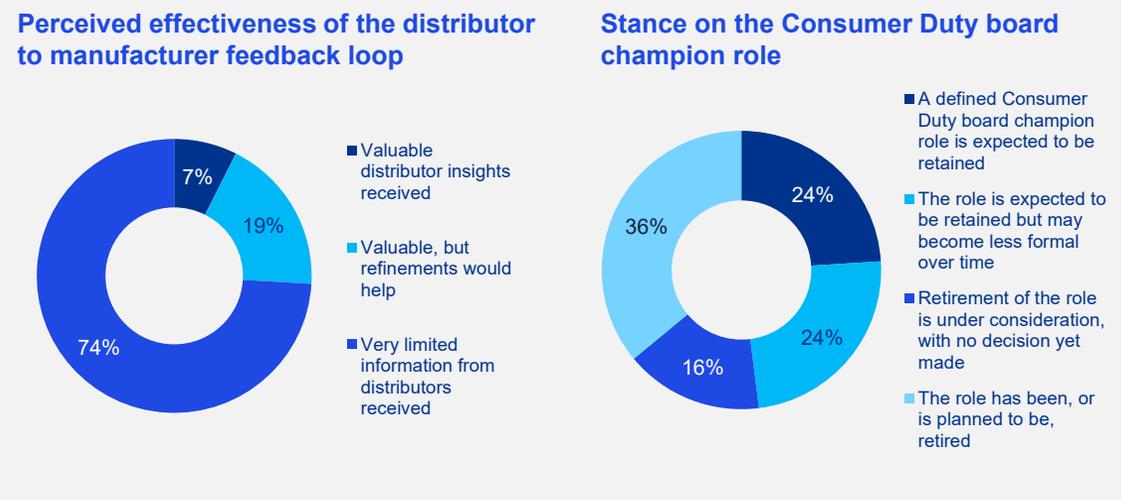
We continue to see outcomes monitoring as a significant challenge for firms, which is reflected in the survey results. In some instances, further improvements are needed around how outcomes are consistently and formally defined, the MI and metrics that are attached to them, and how monitoring is performed at various levels of the organisation. Robust outcomes monitoring frameworks are critical to driving more effective board reporting.

Consumer Duty trends and challenges

The length of board reports and fair value assessments varies significantly by firm. The effectiveness of the distributor feedback loop is perceived quite negatively. Most firms have retained their board champion.



- ### Trends in the data
- Responses indicate there is a significant variation in the length of firms' Consumer Duty board reports and fair value assessments.
 - 74% of firms noted that they receive "very limited" information from their distributors. This suggests a more negative view of feedback arrangements than last year's survey where 50% of respondents described information received as "very limited" and 42% of responding firms described the distributor to manufacturer feedback loop as "useful but enhancements would be beneficial".
 - Some respondents noted that some distributors do not complete distributor feedback templates, and this necessitates using other mechanisms to receive distributor data.
 - 64% of firms have retained their board champion for now, even though it is no longer mandatory to do so.



KPMG View

The wide range reported in the length of board reports and fair value assessments likely reflects the different sizes of firms and business model types in the survey, and the considerable latitude the FCA has given firms when it comes to determining their approach and format.

Over time we are seeing firms seeking to streamline and iterate their board reporting, focusing most on reporting on real life outcomes delivered for clients. That said, we continue to see room for improvement in the way firms structure their reports, and how outcomes are defined and monitored.

The distributor-manufacturer feedback loop remains challenging in practice for most firms, which is reflected in reported views on the effectiveness of current arrangements. The FCA's December 2025 statement on co-manufacturing arrangements and further planned work to clarify roles and responsibilities across the distribution chain will be welcome in this context.

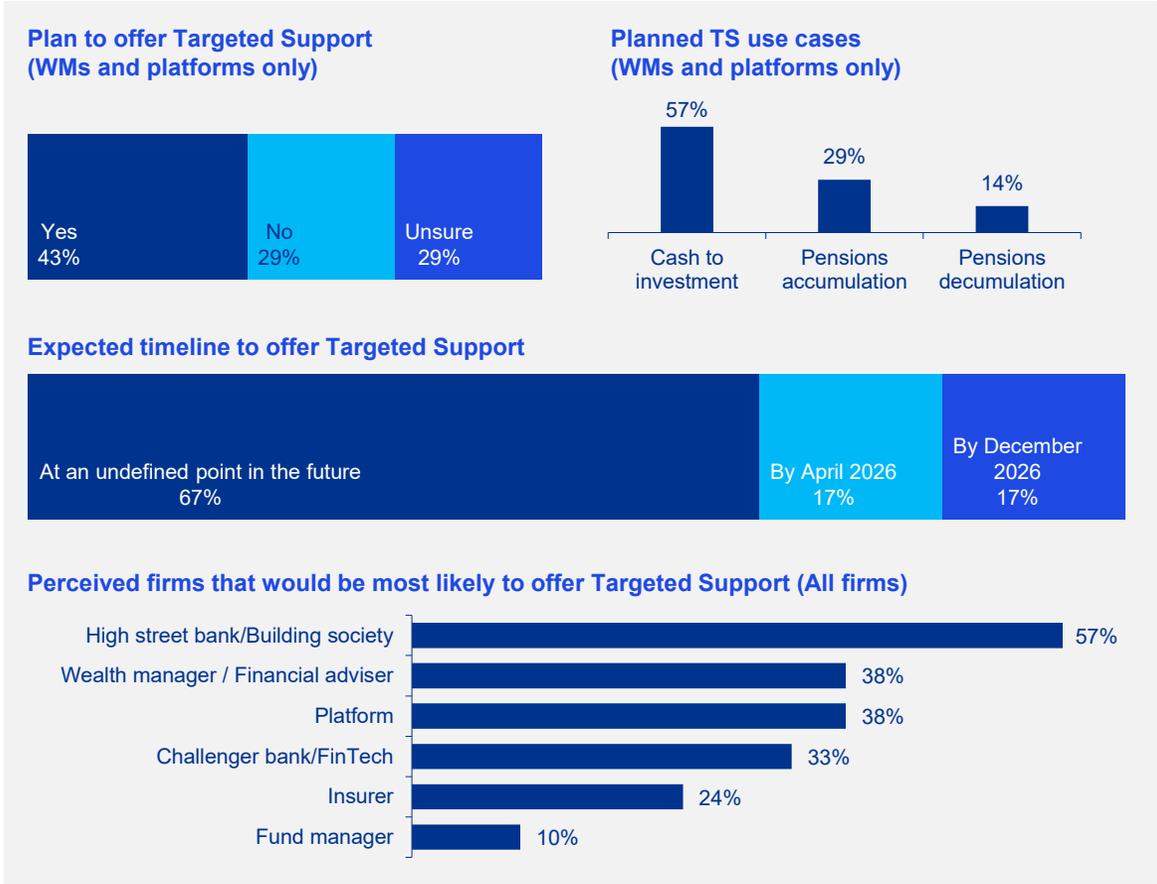
It is particularly noteworthy that most firms have retained the board champion role for now, even though they have not been required to have one since February 2025. This reflects that many firms continue to see the role as valuable in helping to navigate Consumer Duty-related discussions at board level and ensuring that good outcomes remain at the top of the agenda.

Implementing Targeted Support

Only a few firms in the survey plan to offer Targeted Support (TS), reflecting the absence of firms such as banks and building societies from the survey. Cash to investment is the most popular planned use case.



- ### Trends in the data
- Almost all asset managers in the survey do not plan to offer TS. Therefore, most of the data shown on this slide only reflects responses from firms that we have categorised as wealth managers (WMs) or platforms within the surveyed population. 43% of these firms are planning to offer targeted support. However, 29% were uncertain and a further 29% do not plan to do so.
 - Most of these respondents indicated their timelines for delivering TS are relatively uncertain, with 67% stating TS will be offered at an undefined future point. Fewer firms anticipated implementing TS by the time the regime launches in April 2026, or by end of the year.
 - Cash to investment is the most popular use case for these firms (57%), followed by pensions accumulation (29%) and decumulation (14%).
 - High street banks and building societies were seen as most likely to offer TS, followed by platforms and wealth managers. Fund managers were seen as least likely to offer TS.
 - The greatest perceived challenge for TS was reported as being identifying and capturing appropriate data, followed by defining and calibrating consumer segments.
 - A small number of firms indicated they plan to offer simplified advice, once introduced by the FCA.



KPMG View

The incoming TS regime has the potential to be transformational for the wealth and asset management industry and for consumers who may not be able to access or afford advice today. The regime is expected to go live from 6 April 2026.

TS relies on a direct relationship between the firm and a retail client. Therefore, it is not surprising in the survey that most asset/fund managers do not plan on providing TS. Conversely, banks, building societies and platforms will be particularly well placed to deliver TS, given their broad customer base and significant data held which can be used to inform consumer segmentation. We consider that TS is still likely to be important for wider firms, including asset/fund managers indirectly as they may seek out partnerships to provide their funds to distributors who are launching TS propositions.

Some firms being unsure on when they will launch TS propositions could reflect the significant work needed to implement the regime in a safe and compliant manner and to meet the FCA's expectations. While some firms are working flat out to be ready to launch a TS proposition and become authorised by the FCA as soon as possible, others continue to work through potential use cases.

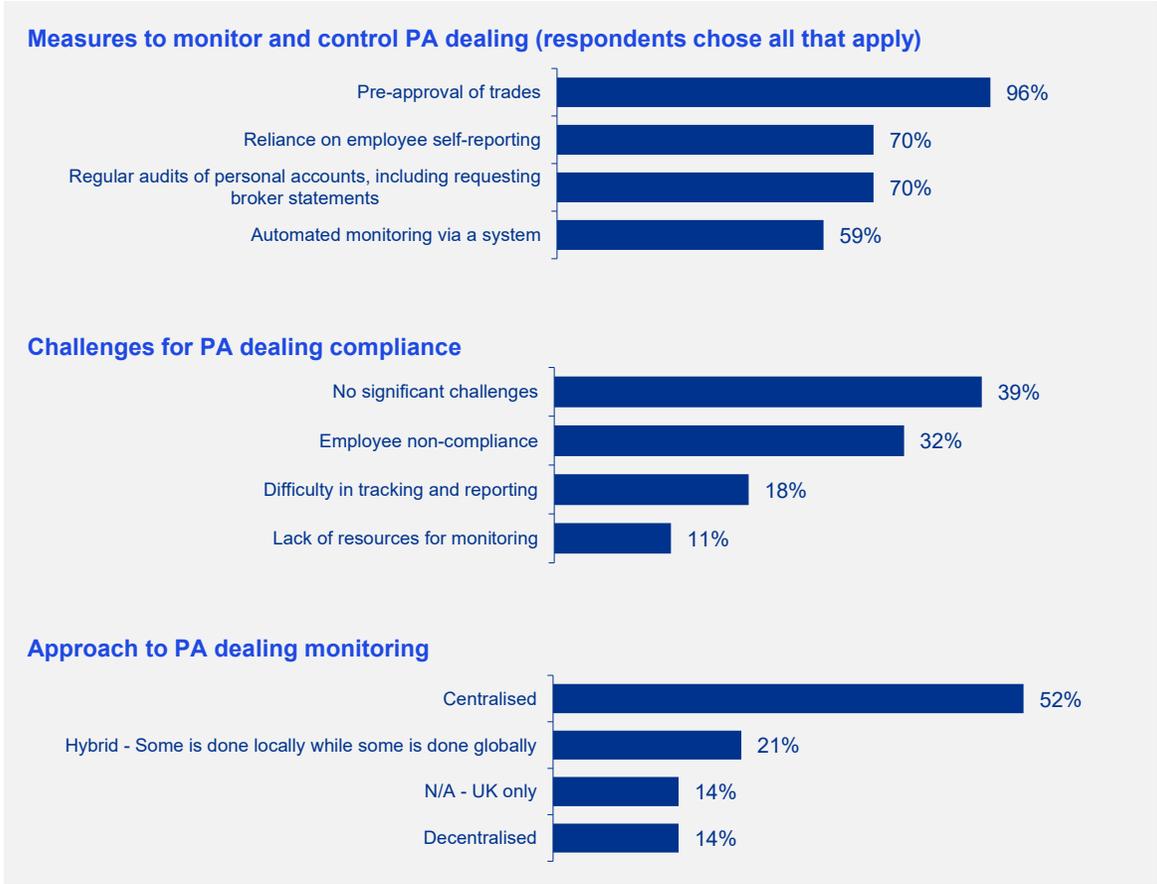
Some firms may view targeted support and simplified advice as an important stepping stone for consumers to full, holistic financial advice.

Personal Account Dealing Compliance

Firms use a variety of approaches to monitor and control PA dealing. Employee non-compliance is considered to be the greatest challenge. Most firms operate a centralised approach to monitoring.



- ### Trends in the data
- PA dealing pre-trade controls are almost universal with 96% of firms requiring pre-approval of trades, making it the most common control in place. Regular audits (70%) and reliance on self-reporting (70%) are also widespread, while automated monitoring is used by a smaller set of firms (59%)
 - PA dealing monitoring is largely centralised, with 52% of respondents taking this approach, with a further 21% using hybrid arrangements. Only 14% of firms adopt a decentralised approach. A further 14% of firms only have a UK presence and responded N/A.
 - 39% of firms reported experiencing no significant challenges with PA dealing compliance. The most common challenge reported was employee non-compliance (32% of respondents).
 - Regarding gifts, 93% of respondents have in place a monetary threshold above which gifts must be declined or pre-approved. 7% of respondents did not impose a limit.



KPMG View

Although PA dealing monitoring and control mechanisms are well established, wealth and asset management firms continue to consider where existing practices could be enhanced and tightened up.

The survey findings suggest that firms' PA dealing frameworks prioritise preventative measures over detective ones. Continued reliance on self reporting and regular audits reflects both the practical limits of full automation and the need for employee accountability.

The persistence of employee non-compliance as the primary challenge suggests that culture and behaviour, rather than control design, remains a key issue for firms to overcome.

That most firms adopt a centralised approach to PA dealing monitoring reflects some of the benefits this can bring in terms of consistency of approach and the scalable use of technology and resources.

07 Firm & System Resilience



Key Resilience Risks

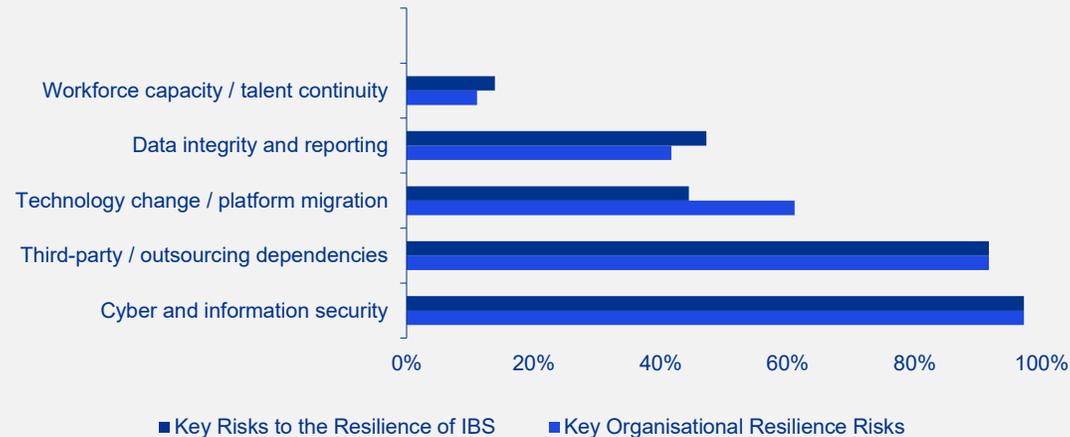
Over the next 2–3 years, firms see cyber and information security threats and growing third-party dependencies, as the most significant risks to their resilience.



Trends in the data

- The resilience landscape over the next 2–3 years is shaped by three dominant concerns: pervasive cyber and information security risks (97%), growing exposure to third-party and outsourcing arrangements (92%), and the challenges of technology transformation and platform migration (61%).
- The near-universal acknowledgment of cyber and third-party risks underscores the increasingly interconnected and digitally-driven nature of financial services, where disruption in one firm or provider can spread across the sector. It illustrates why we are seeing firms investing in strengthening the core infrastructure that supports the delivery of their Important Business Services (IBS), and in some cases, prioritising delivery of key elements within an IBS to mitigate impact whilst full recovery is ongoing.
- Technology change and platform migration concerns more firms at the overall level (61%) than the IBS level (44%), suggesting that technology change is viewed more as a broad, strategic risk, rather than a direct threat to the resilience of individual IBS.

Resilience Risks to the Organisation and Important Business Services (IBS)



- Investing in a resilient operating model allows firms to embrace technology change with confidence, gaining competitive advantage through continuous service delivery.
- 42% of firms cited 'data integrity and reporting' as one of their top three risks to resilience and 47% cited it as one of their top three risks to their IBS, indicating that while not always the top priority, firms recognise the importance of accurate and reliable data in informed decision-making and effective risk management. Data integrity is a foundational element of operational resilience and if not adequately addressed, can pose potential issues when trying to recover an IBS.
- Respondents were less concerned about the risks posed from workforce capacity and talent continuity. However, whilst cyber, third party, and technology change pose significant risks, it is worth noting that service delivery continues to rely on a resilient, multidisciplinary workforce. Any inadequacies in capacity or capability can risk severely impairing resilience, especially during a disruption.

KPMG View

Cyber risk remains one of the most material threats for Wealth and Asset Management (WAM) firms, amplified by rapid digitalisation, the proliferation of investor platforms and heavy reliance on cloud. Wealth platforms are increasingly targeted due to the concentration of high value client data and transactions.

For WAM firms, operational resilience is now inseparable from digital security, given the sector's interconnected value chain. A single breach can undermine customer trust, cause market facing disruption, and trigger heightened regulatory scrutiny. Third party dependencies are particularly acute in WAM, where outsourced middle and back office functions, model providers, and SaaS portfolio tools are core to daily operations.

In response, firms are proactively investing in cyber resilience — enhancing controls, embedding threat led testing, increasing board oversight, and strengthening incident response playbooks. The sector's leaders are shifting from reactive defences toward a forward looking resilience posture that recognises cyber risk as both a strategic and fiduciary priority.

WAM firms must also factor geopolitical risk into their resilience strategies, as global shifts can quickly create or intensify threats affecting supply chains and regulations. Including geopolitical considerations in scenario planning helps firms anticipate and manage disruptions more effectively.

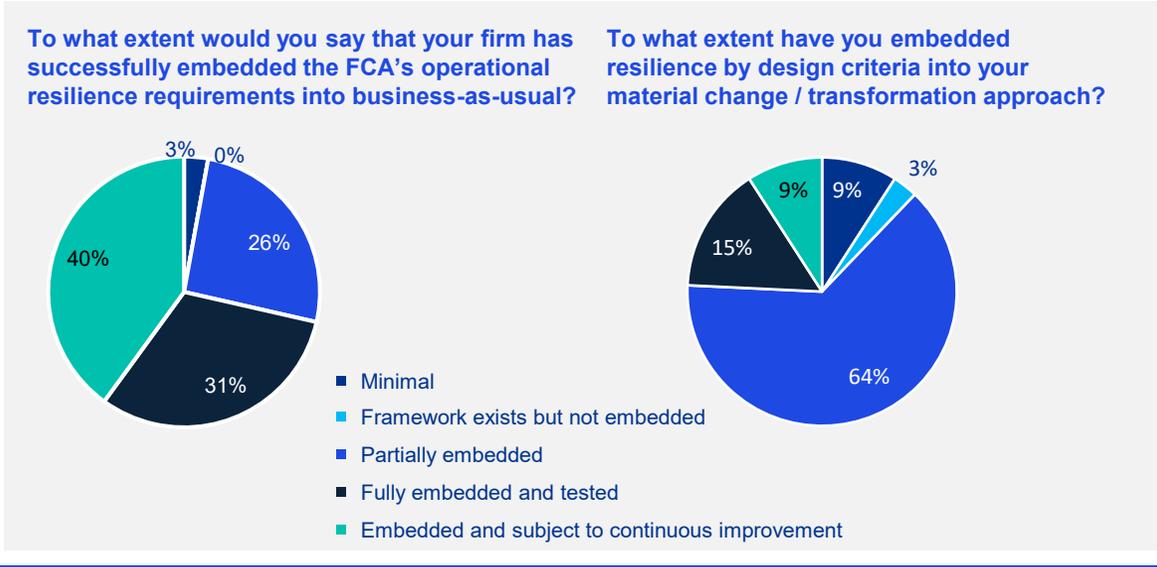
Resilience requirements and resilience by design

Firms report varying levels of maturity when it comes to implementing the FCA’s operational resilience requirements and resilience by design.



Trends in the data

- In-scope firms are reporting varying levels of maturity, with a clear trend towards more advanced stages of development. Reflecting progress toward a more resilient industry landscape, 40% of firms outlined that their resilience requirements were embedded and subject to continuous improvement. At this level, firms should have defined roles and responsibilities, conducted end-to-end mapping, comprehensive resilience assessments and testing, and robust governance structures.
- However, there are still a number of firms who are yet to fully embed operational resilience across their organisation. Fully embedding operational resilience is crucial in enabling sustained delivery of services during disruptions, protecting customers and the reputation of the firm, and ultimately, underpinning financial stability in the long term. This mixed picture of maturity highlights the ongoing need for awareness, collaboration, and investment to ensure resilience is embedded across the industry.



- Resilience by design (RBD) criteria focuses on building resilience into systems, processes, and culture, allowing services to remain resilient and agile through organisational change activity, whilst also improving operational excellence. Significantly fewer firms reported that they have embedded RBD criteria in comparison with the regulator-mandated requirements, indicating that a significant number of firms may still be taking a reactive approach to resilience.
- 64% of firms responded that RBD criteria are partially embedded, suggesting that firms recognise the benefits but still require further work to put this into practice. Recognising resilience as a core design principle leads to more robust systems and processes that are better able to withstand and recover from disruption and allows workarounds to be fully understood and executed. Moving towards an embedded-state will give firms a competitive advantage in the sector.

In-scope firms had until **31 March 2025** to have performed mapping and testing to prove they can remain within impact tolerances.

KPMG View

In an increasingly complex operating environment, firms must be able to properly embed operational resilience in order to gain a competitive advantage, and prove to stakeholders that they can be trusted to remain resilient throughout operational disruptions.

A resilient organisation clearly conducts thorough end-to-end IBS mapping, giving a clear picture of all underlying components used to deliver the service. This is essential for setting impact tolerances and carrying out effective testing.

Within the sector, we are seeing service resilience dashboards being tabled at governance forums to inform discussions all the way up to board level, ensuring that investments are being made and prioritised based on resilience vulnerabilities.

Firms are moving beyond conducting scenario testing as merely a regulatory compliance exercise and are moving towards integrating robust, end-to-end scenario testing that validates the firm’s ability to deliver IBS within defined impact tolerances during disruption and identify gaps in preparedness.

Moving beyond regulation, embedding Resilience by Design gives firms a crucial strategic advantage by increasing the resilience of their service delivery and consequently maintaining the trust of customers and stakeholders.

08 ESG



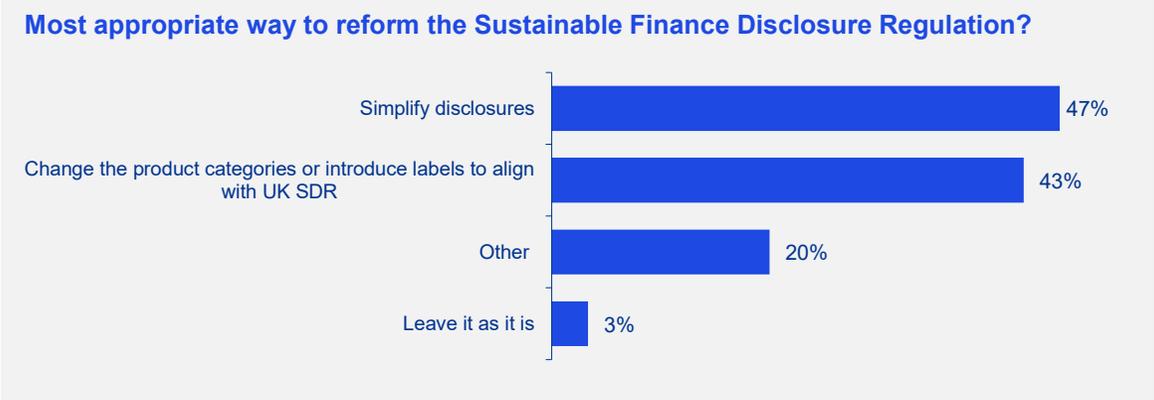
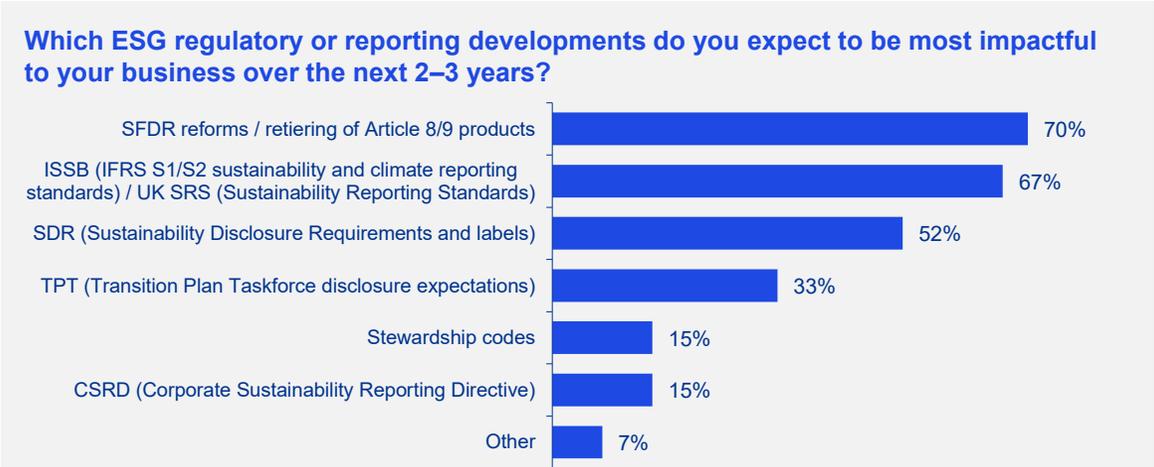
Reforming ESG regulations

SFDR reforms are seen as the most significant ESG regulatory development on the horizon, with strong consensus from survey respondents that changes to the SFDR are necessary.



Trends in the data

- Where respondents were in scope of the UK SDR, 20% plan to label funds under the SDR within the next 12 months, but 80% do not plan to do so.
- Among the ESG regulatory developments on the horizon, SFDR reforms and reclassification of Article 8/9 products were considered to be most impactful (70% of respondents). This was followed closely by implementation of the development of IFRS S1 and S2 sustainability and climate reporting standards under the ISSB and their adoption through UK Sustainability Reporting Standards (67%).
- Regarding the future of the SFDR, responses indicate a clear consensus that reforms are needed, particularly around the simplification of disclosures (47%) and changing the product categories or introducing labels to align with UK SDR (43%). Other suggested changes or comments included support for removing entity-level disclosures and ensuring full alignment with broader accounting standards.



KPMG View

Following years of significant and fast-paced ESG-related regulatory change, and as the industry's ESG appetite has waned slightly after many years of enthusiasm, firms are now focused on how they can optimise their approach to ESG disclosures and reporting.

This includes revisiting the disclosure production process, associated roles and responsibilities, and considering where technology can assist.

In tandem, UK and EU regulators are now considering where existing regulation could be improved or streamlined.

One of the most noteworthy proposals is the European Commission's wide-ranging amendments to the SFDR which has applied since March 2021. While the changes are likely to result in a more proportionate and clearer regime, significant efforts will be required by most market participants to transition to the new requirements.

Some additional regulatory changes on the horizon will likely require significant implementation efforts from firms – most likely incoming corporate reporting requirements such as the UK's Sustainability Reporting Standards.

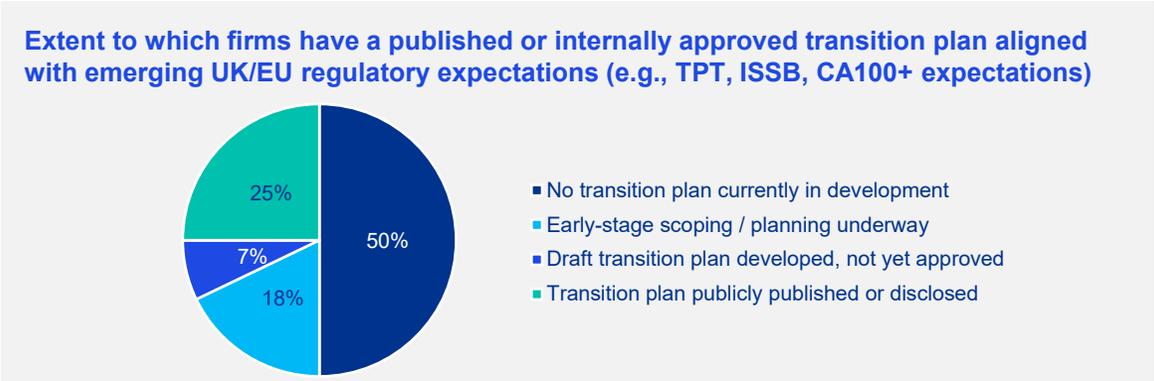
Transition planning

A modest proportion of firms have published transition plans. The availability and quality of sustainability data remain the main obstacles for respondents in advancing their plans.



Trends in the data

- Half of respondents do not have a transition plan in development. A quarter have published or disclosed plans, 18% have developed draft plans that are not yet approved, and 7% are still in the early stages of scoping and planning.
- The responses show that data-related barriers dominate transition-planning challenges, with availability and quality of emissions data (43% of respondents) and forward-looking scenario analysis and target-setting (36%) emerging as the most significant obstacles.
- Firms also highlight difficulties integrating transition considerations into portfolio construction (25%) and aligning fiduciary duties with decarbonisation goals (29%). Meanwhile, issues such as senior management ownership, coordination, and stewardship alignment are cited far less frequently, suggesting that technical and analytical constraints, rather than governance, are the primary impediments to progress.



KPMG View

The focus of transition planning is shifting from high-level climate pledges to detailed, actionable transition plans with measurable targets, governance structure, and financial alignment.

Despite the evolution of sustainability regulation, wealth and asset management firms face significant challenges in implementing transition plans due to a lack of quality ESG data, difficulties in scenario analysis and target-setting, and in some cases, a perceived tension between fiduciary duty and decarbonisation goals.

As the industry moves from aspirational climate commitments to execution-focused plans, the emphasis on data-driven progress tracking and transparency is becoming increasingly important.

Firms should set clear accountability by assigning board-level oversight and linking transition objectives to executive KPIs, while embedding transition planning into risk management and capital allocation to make it a core business priority rather than a standalone ESG exercise.

09 Prudential

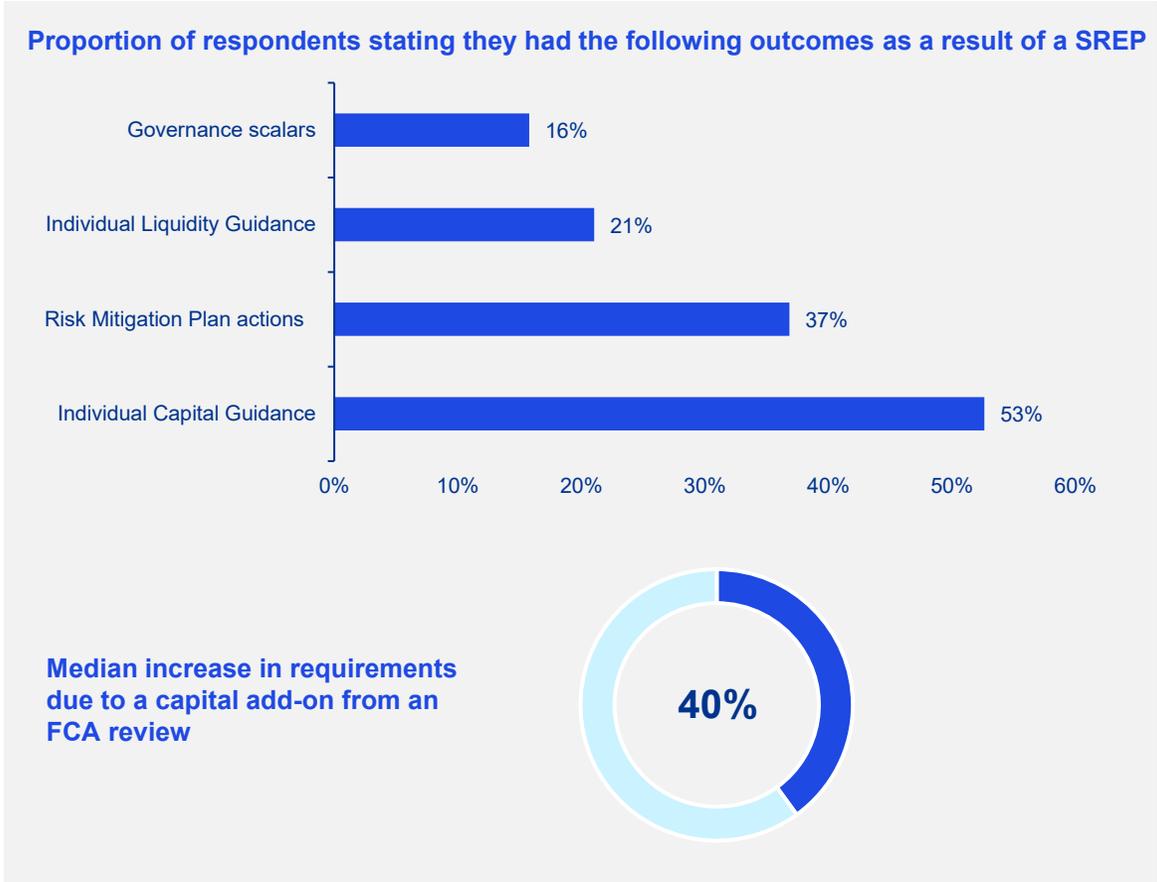


Outcomes of recent FCA SREPs

The FCA’s supervisory reviews have targeted firms as part of broader thematic reviews or as a result of firm specific issues. As a result, no firms in our survey were subject to a prudential review by the FCA in 2025.



- ### Trends in the data
- No firms in our survey were subject to a supervisory review in 2025. However, 19 (almost half) of firms in the survey have been subject to FCA reviews since IFPR came into force in 2022.
 - Of these firms, over 50% received Individual Capital Guidance as part of this process.
 - The median impact of a capital add-on under these reviews is 40%.
 - For liquidity add-ons, we have seen a range from 9% to 89%. However, fewer firms have liquidity add-ons this year meaning the impact is more limited across the industry.



KPMG View

From a supervisory review perspective, no firms included in our survey were subject to an FCA SREP during 2025. In our experience, this reflects the FCA’s continued risk-based approach to supervision, with reviews typically focused on firms experiencing rapid growth, operating within more complex group structures, or where there are known conduct, governance or risk management issues that could materially deplete capital or liquidity. While these activities are not always directly reflected in survey responses, they continue to shape supervisory expectations and influence firms’ approaches to financial resilience.

We have also observed a positive trend where firms subject to previous FCA reviews have seen capital or liquidity guidance removed following completion of agreed risk mitigation programmes. This demonstrates that where weaknesses are identified and remediated effectively, additional requirements can be released.

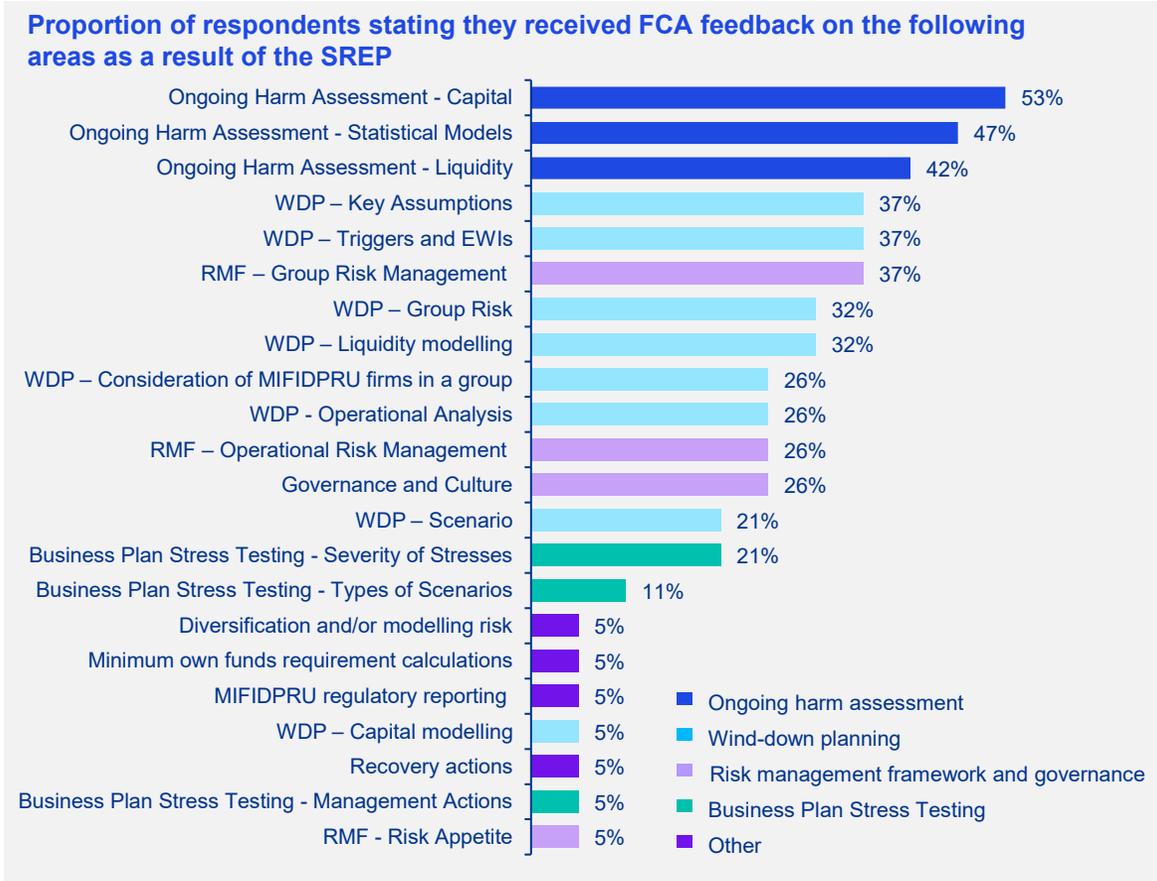
Looking ahead, we expect this supervisory approach to continue, with capital or liquidity add-ons, risk mitigation programmes and governance actions remaining likely outcomes where material issues are identified.

FCA feedback to firms

The most common issues the FCA has identified are in operational risk assessments, liquidity and wind-down plans.



- ### Trends in the data
- Ongoing harm assessments, including modelling continue to be the top feedback areas for firms subject to the SREP. The Ongoing Harm Capital Assessment, 53%, is the most frequently cited theme closely followed by the use of statistical models for these assessments at 47%. The Ongoing Harm Liquidity Assessment is also prominent at 42%.
 - Wind Down Plans (WDP) attract sustained scrutiny, primarily with Key Assumptions and Triggers & Early Warning Indicators though Group Risk Management, Liquidity Modelling are frequently also referenced within FCA observations.
 - Group Risk Management has seen a small rise from the previous, putting it in the top 5 of reported feedback.



KPMG View

Where the FCA has identified issues through supervisory reviews since the IFPR came into force, these have consistently focused on a small number of core areas. In particular, regulatory feedback has centred on firms' capital assessments, most notably operational risk and operational risk modelling, the use and severity of liquidity stress testing, and the robustness of wind-down planning. These themes have been evident in our survey findings over the past four years and continue to represent key areas of supervisory focus.

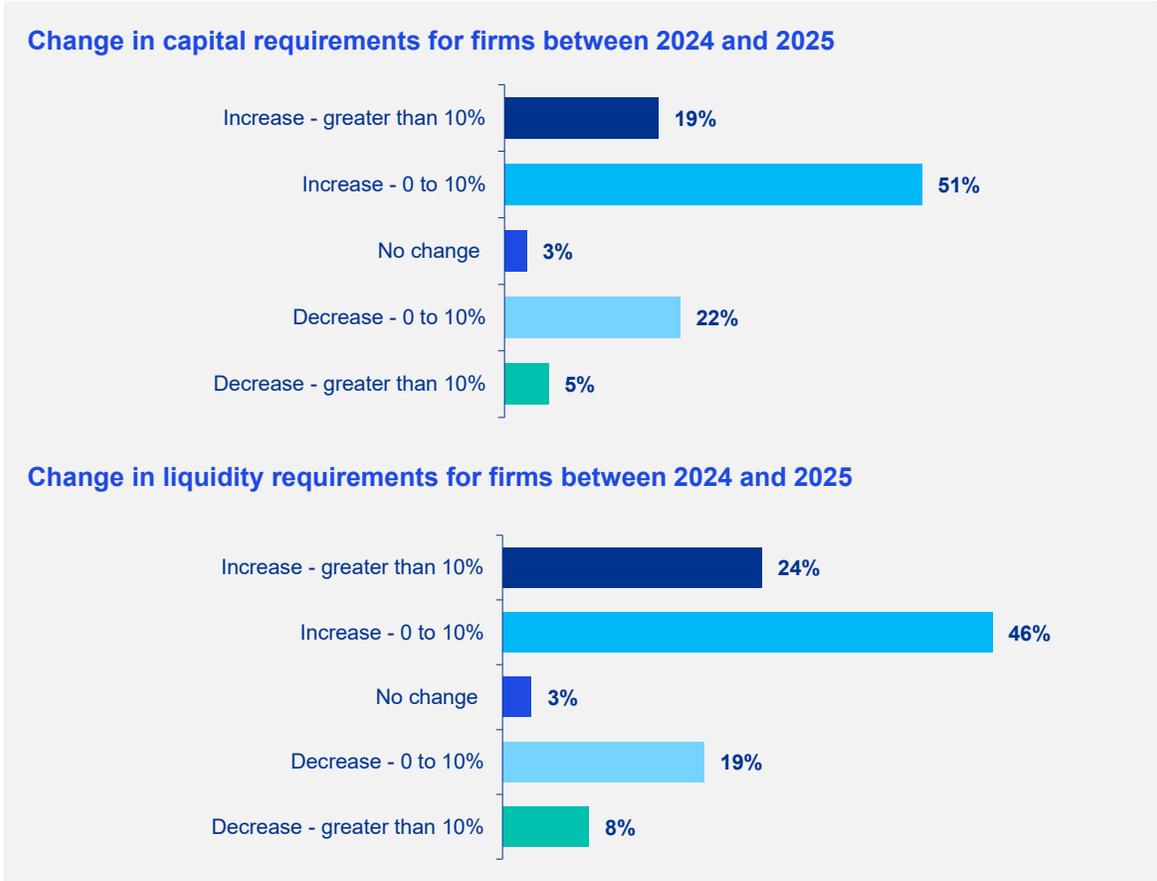
While no survey participants were subject to an FCA SREP during 2025, it is likely that where firms are reviewed in future, issues will be identified across a range of these areas. In our experience, this is particularly the case for firms that have not previously been through a supervisory review and therefore have had more limited independent challenge of their ICARA processes. This risk is heightened given that industry practices have continued to evolve since the IFPR came into force, often shaped by regulatory feedback from earlier reviews. As a result, firms that have not refreshed their approaches in line with emerging expectations may be more exposed to challenge when reviewed.

Changes in capital and liquidity requirements in 2025

The majority of firms have self-assessed increases in capital and liquidity requirements in the past 12 months.



- ### Trends in the data
- For 70% of firms, capital requirements have increased between 2024 and 2025. Where capital requirements have increased, the most significant driver was due to higher ongoing harm assessment requirements (62%).
 - Increases were most likely amongst the smaller firms (in the P3 category) where 71% of firms had year-on-year increase in capital requirements.
 - Larger firms (in the P1 category) have assessed year-on-year reductions in capital requirements, with 33% of firms seeing a decrease in capital requirements. This is largely driven by falls in both their ongoing harm assessment and their wind-down requirements.
 - For liquidity, 70% of firms also saw increases in requirements.



KPMG View

Increases in both capital and liquidity requirements identified across survey participants are primarily driven by firms' own self-assessments, whether through ongoing harm assessments or wind-down planning. This reflects that, over the past 12 months, many firms in the survey have continued to grow in size, complexity or activity, with corresponding increases in the capital and liquidity they assess as necessary to support that growth.

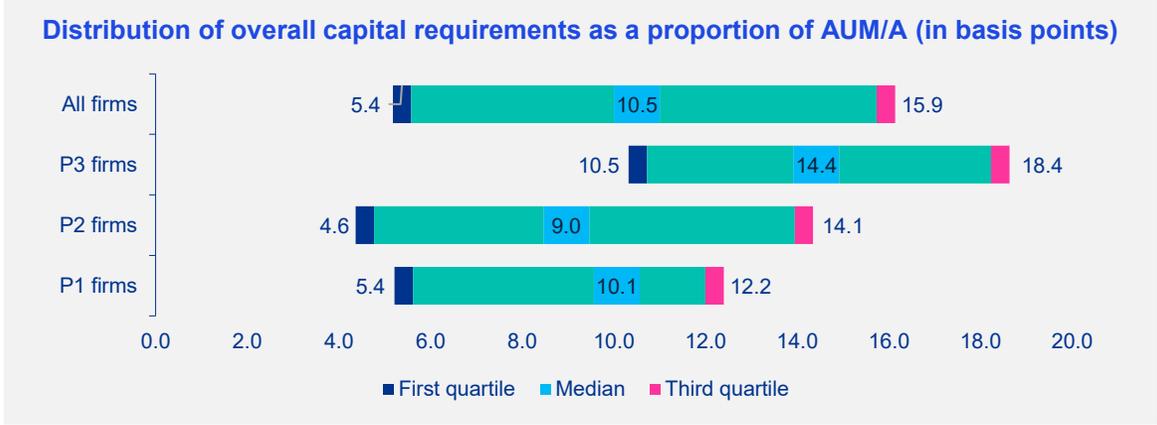
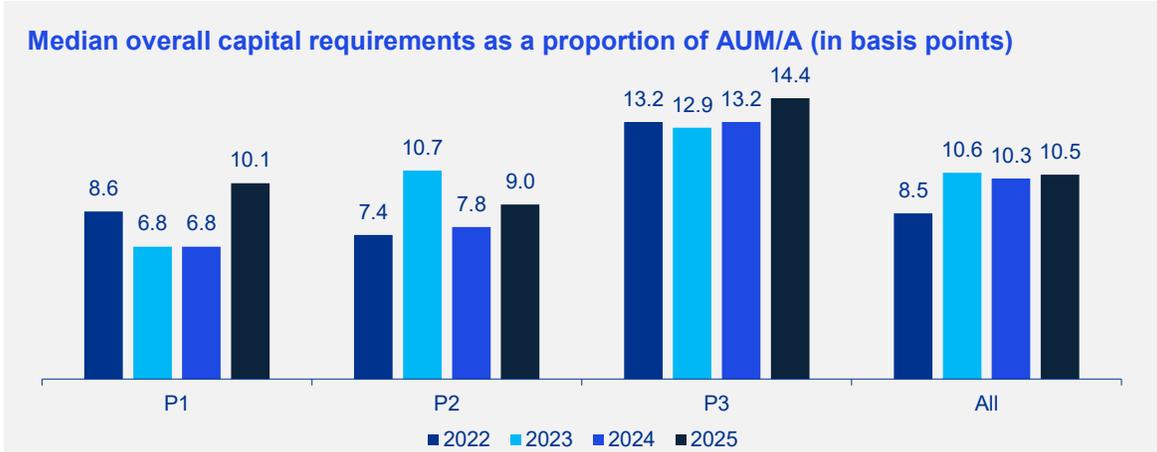
Notably, no firms in the survey were subject to an FCA review in 2025. Despite relatively limited FCA supervisory activity during the year, firms are continuing to apply judgement and prudence in their ICARA processes, reassessing financial resource requirements where their business models or risk profiles have evolved. This suggests that, for many firms, the ICARA is increasingly embedded as a forward-looking risk management tool rather than a purely regulatory exercise, with financial resource assessments being actively recalibrated to reflect changes in the business.

Overall capital requirements

There is a trend of stability in capital requirements proportional to AUM/A. For some, this metric has increased slightly as seen for P1 firms.



- ### Trends in the data
- The median capital requirement for the largest P1 firms has increased from 6.8 bps of AUM/A in 2024 to 10.1bps of AUM/A in 2025. However, this increase is due to a new population for firms in the survey for this category (wealth managers and vertically integrated firms).
 - Similar trends can be seen for both P2 and P3 firms where proportional requirements have increased slightly from 7.8 bps in 2024 to 9.0 bps in 2025 and from 13.2bps in 2024 to 14.4 bps in 2025 respectively.
 - There continues to be a broad range of requirements within each firm category (proportionate to AUM/A).



KPMG View

When looking at overall capital requirements across all firms in the survey, we continue to observe a high degree of stability in self-assessed requirements when measured as a proportion of AUM/A for each firm.

This headline stability, however, masks some important dynamics within the underlying data. In particular, the population of larger (P1) firms in the survey has changed, with new participants more likely to operate vertically integrated business models, for example combining investment advice, asset management and platform services. These firms typically assess proportionately higher capital requirements than standalone asset managers, reflecting the broader range of activities, operational complexity and associated risks they manage.

This effect is most evident within the P1 category, where changes in the composition of survey participants have driven shifts in median outcomes. When this population effect is stripped out and firms are compared on a like-for-like basis, we do not observe any material change in overall capital requirements. Taken together, this reinforces the view that ICARA capital assessments are becoming increasingly stable for most firms in the survey, with movements in aggregate metrics more often driven by changes in survey composition rather than fundamental changes in firms' approaches to capital adequacy.

Overall liquidity requirements

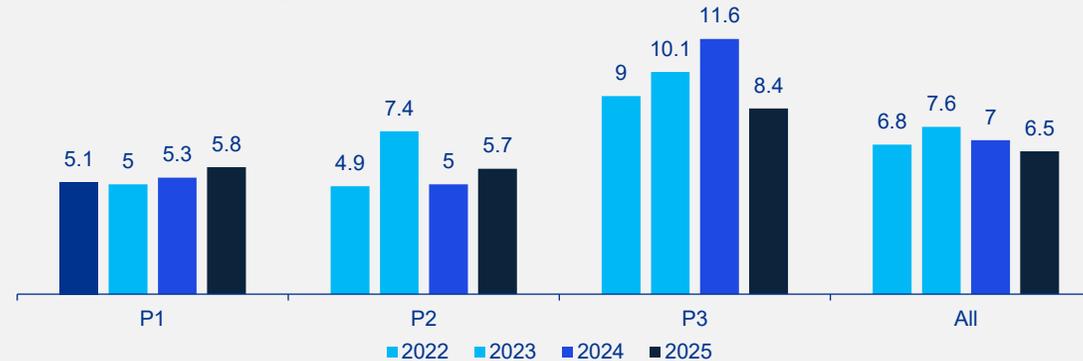
There has been a continuation in the downward trend in liquidity requirements when measured proportionately to AUM/A.



Trends in the data

- Across all firms, the median overall liquidity requirement is 6.5 bps of AUM/A, which follows the slight decreasing trend seen across 2024 and 2023.
- For larger P1 firms there was a small increase of 0.5 bps of AUM/A compared with 2024 liquidity requirements. The smallest P3 firms, however, saw the largest decrease, from 11.6 bps to 8.4 bps of AUM/A.

Median overall liquidity requirements as a proportion of AUM/A (in basis points)



Distribution of overall liquidity requirements as a proportion of AUM/A (in basis points)



KPMG View

Overall liquidity requirements continue the downward trend observed in recent years, with 2025 marking a further reduction across the survey population. This is largely driven by smaller P3 firms, which have self-assessed proportionally lower liquidity requirements compared to previous years.

In our experience, this reflects increasing maturity in firms' implementation of the ICARA and wind-down planning requirements. As firms become more comfortable with these processes, many have begun to revisit assumptions that were initially set conservatively during early years of the regime. In particular, we are seeing firms reassess both the number and severity of liquidity stress scenarios used in their ongoing harm assessments, as well as key judgements underpinning wind-down liquidity modelling. Where these judgements are now supported by more robust evidence, such as improved cashflow forecasting or a clearer understanding of contractual cashflows in wind-down, this can result in a materially lower liquidity requirement.

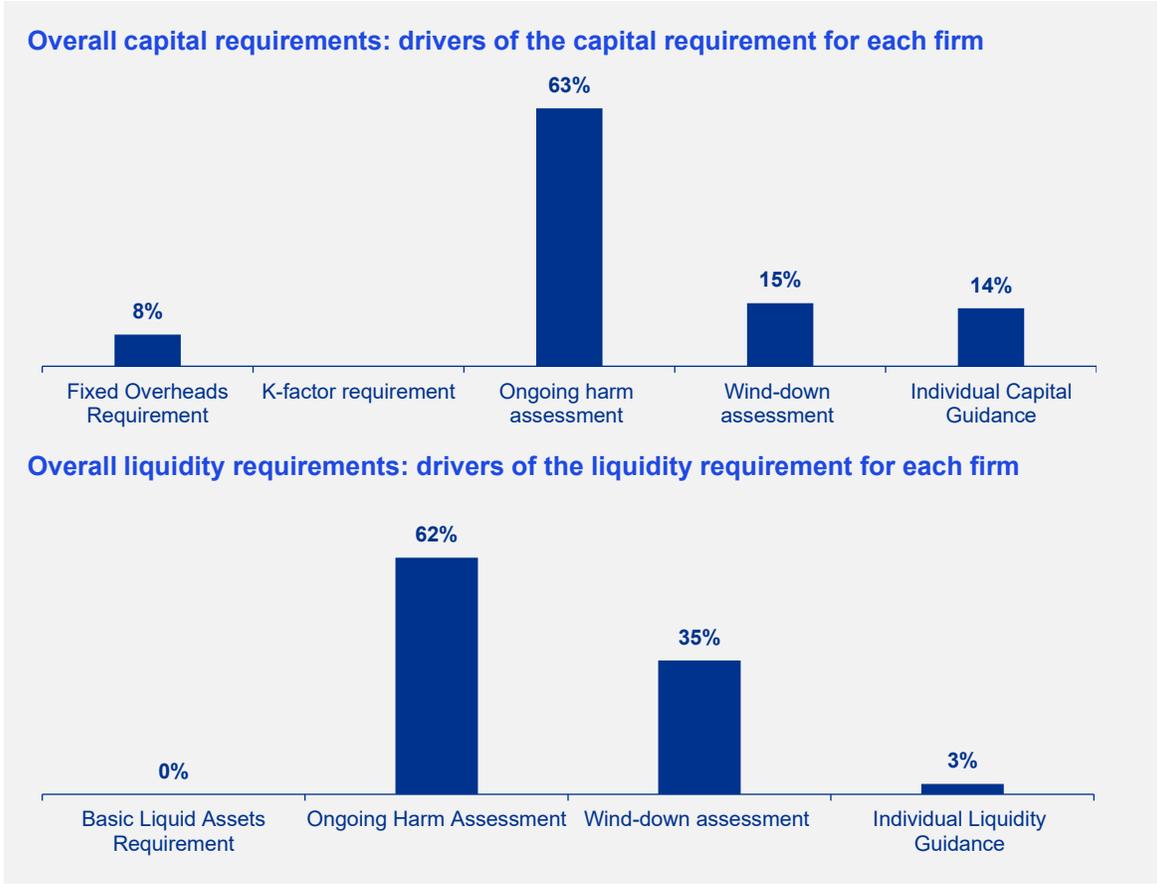
These reassessments can deliver a meaningful liquidity benefit, especially in the current interest rate environment, where firms are increasingly focused on the efficient management of liquid assets and the opportunity cost of holding excess liquidity.

Drivers of capital and liquidity requirements

There has been a fall in the number of firms subject to FCA set requirements year-on-year. Therefore, ICARA or wind-down plan assessments drive capital and liquidity requirements for most firms.



- ### Trends in the data
- There is a decrease in the number of firms which are subjected to ICGs and ICLs set by the FCA; for 11% of firms this drives their capital requirement (2024:19%) and for only 1% of firms it drives their liquidity requirement (2024: 13%).
 - For capital, on a median basis, the ongoing harms assessment is 13% higher than the wind-down assessment across survey participants. This gap has significantly reduced compared to 2024 where the difference between the ongoing harms and wind-down assessment was 40%.
 - For liquidity, the gap has widened between the ongoing harm and wind-down requirements, increasing from a difference of 7% in 2024 to 14% in 2025.



KPMG View

In our experience, the reduction in the number of firms with capital and liquidity requirements set by the FCA is driven by two key factors. First, there were no FCA supervisory reviews of survey participants during 2025, naturally limiting the issuance of ICG and ILG. Second, and more notably, where firms had previously been subject to FCA review, we have observed the regulator removing capital or liquidity guidance once specific remedial actions have been completed, for example, the enhancement of wind-down plans. The latter demonstrates that where the FCA does identify weaknesses in assessments, firms are able to remove additional capital or liquidity requirements once remediation is completed and any gaps are closed.

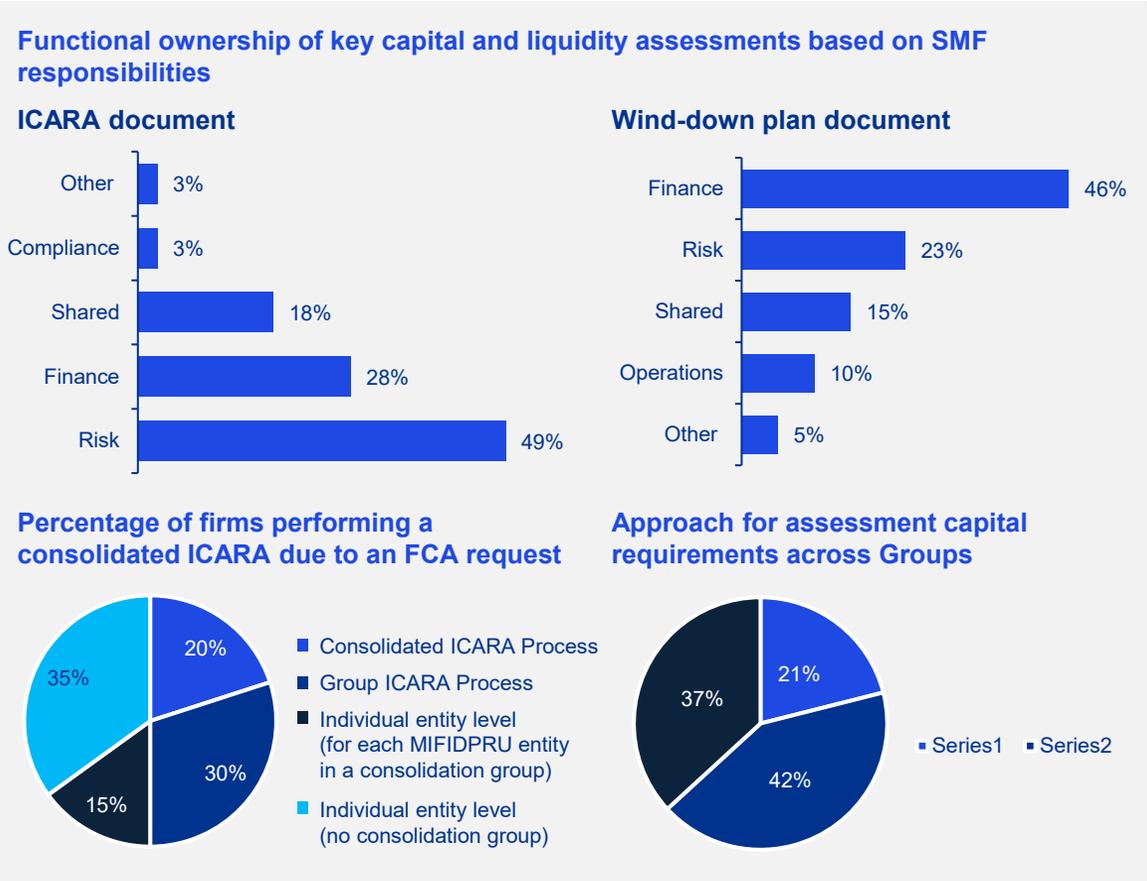
As in previous years, we continue to see the ongoing harm assessment as the primary driver of capital requirements for most firms. For liquidity, however, wind-down assessments can still be a binding constraint for a third of firms. In our experience, this reflects the nature of cashflows during wind-down, which can become predominantly an expense and cash management challenge. The combination of reduced revenues, ongoing fixed costs and wind-down-specific expenditures can lead to significant liquidity requirements, even where capital requirements are driven by ongoing harms.

Governance and approach to the ICARA

ICARA assessments continue to be Risk owned. For Wind-Down Plans, there is a trend of ownership in Finance teams. Firms also continue to take both a group and entity level approach to the assessments.



- ### Trends in the data
- For the ICARA, Risk (49%) and Finance (28%) are the most common owners for the assessment. 18% of participants adopt a hybrid approach of shared ownership between these two functions.
 - For wind-down plans, Finance (46%) and Risk (23%) are the most common owners of the assessment. However, unlike the ICARA, there is a trend where some firms have owners in operations (10%).
 - Where participants are part of a group, 20% have been told by the FCA to perform a consolidated ICARA process, down slightly from 27% in 2024.
 - 21% of groups opt to use top-down approach for assessment of capital requirements (where requirements across all risk types are quantified on a group level based on risk drivers). Many groups, 42%, assess capital requirements at entity level using a bottom-up approach where individual assessments on a MIFIDPRU firm level are performed and aggregated to form the group requirement. The final 37% use a hybrid of both top down and bottom up.



KPMG View

ICARA documents are now well established across most investment firms and, as such, we would not expect ownership of these assessments to change materially year-on-year. This is reflected in our survey findings, where we have not observed significant shifts in the functions responsible for producing the ICARA, with ownership typically remaining within Risk, Finance, or a shared model between the two.

For wind-down planning, however, there is a clearer trend towards Finance ownership of Wind-Down Plans. This likely reflects the FCA's increased focus on wind-down cashflow modelling, the robustness of financial assumptions, and the greater level of quantitative detail now expected within these plans. While Finance plays a central role, in our experience the most robust wind-down plans require meaningful input from across the business. In particular, Operations is critical given regulatory expectations that plans are operable in practice, supported by a detailed playbook setting out the steps required to wind down the business in an orderly manner.

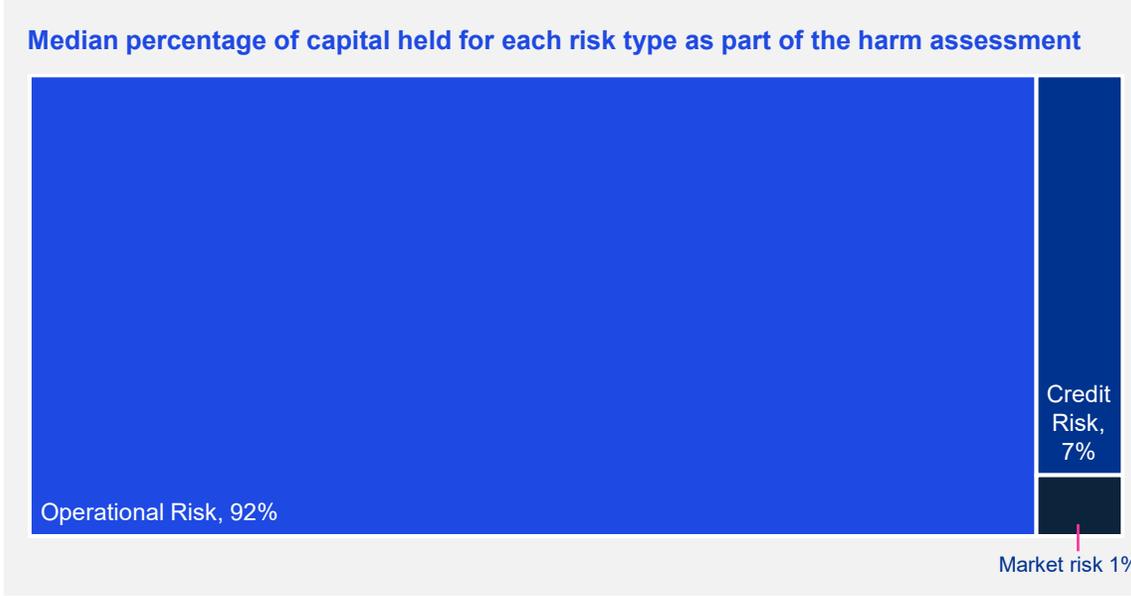
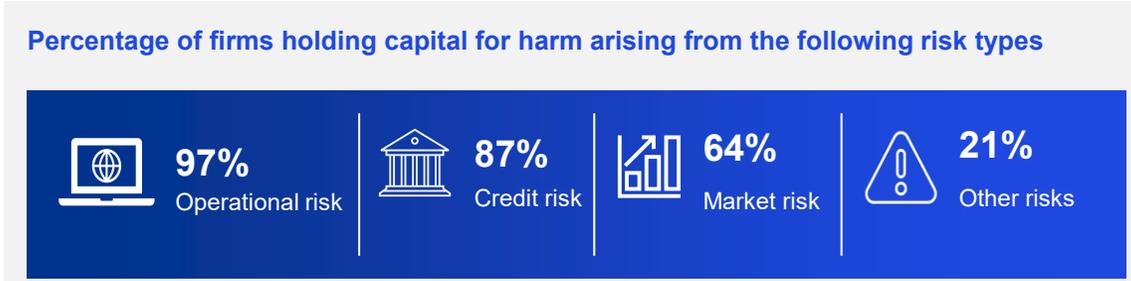
We have also observed some firms beginning to reassess the level at which they perform the ICARA process. Some firms that previously opted into a group-level assessment are reconsidering this approach. This reflects an increasing awareness that group ICARAs are not mandatory and can result in higher capital or liquidity requirements.

Capital requirement assessments in the ICARA

Operational risk remains the most significant component of risk assessments in the ICARA. For all firms in the survey this is the biggest driver of their self assessment.



- ### Trends in the data
- All firms hold capital for operational risk in the ICARA and this forms most of the requirement (92%) identified by firms.
 - Many firms also self assess capital add-ons for credit and market risk, however, amounts held for these risks (7% and 6% respectively) are significantly less than for operational risk.
 - 35% of firms hold capital for 'other' risk types outside of these key risk categories. The most common 'other' risk type was for pension obligation risk (22%) followed by business / strategic risk and transition risk (14% each).



KPMG View

Operational risk continues to be the largest component of firms' ICARA assessments for ongoing harms across the survey population. Over the past 12 to 18 months, we have observed a broader trend of firms reassessing how they quantify operational risk within the ICARA.

In particular, an increasing number of firms are considering adopting operational risk models, reflecting a desire for more accurate and robust assessments of this risk. For some firms, the use of models has also led to lower capital requirements compared to simpler approaches, particularly where previous methodologies were highly conservative. For example, we continue to see simpler assessments assume that all operational risk scenarios crystallise simultaneously, more sophisticated modelling approaches can better reflect diversification effects and the likelihood of concurrent events, resulting in a more risk-sensitive outcome.

That said, one of the key areas of FCA feedback to firms in recent years has focused on the use of operational risk models. Where firms rely on model-driven assessments, the FCA expects these to be well understood by the business, supported by appropriate governance and validation, and aligned with industry practice.

Operational risk capital requirements

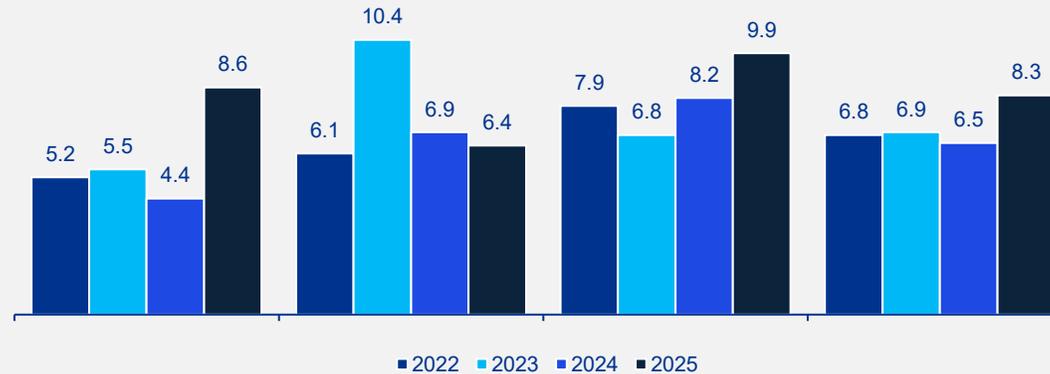
Operational risk requirements have increased proportionately to AUM/A this year. This is driven partly by new survey participants and partly by self-assessments.



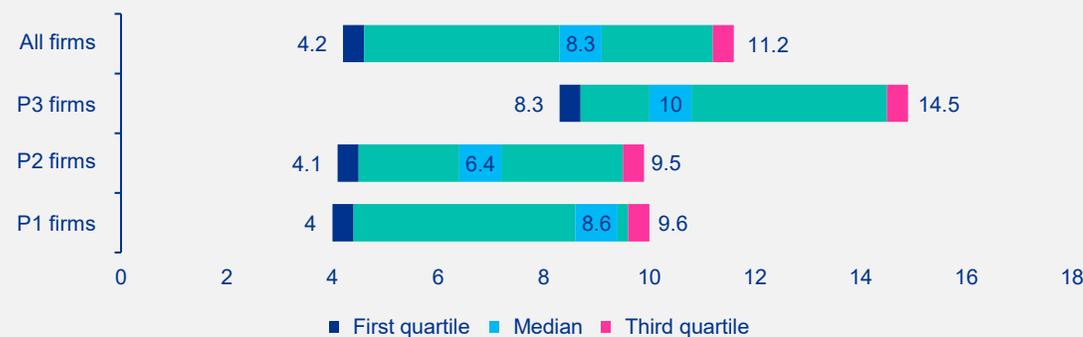
Trends in the data

- Proportionally, P1 firms hold 8.6 bps of capital as a proportion of AUM/A for operational risk. This is significantly higher than the 4.4 bps seen in 2024. This change is driven by a different profile of some new entrants into our survey compared to previous years. These new firms are wealth managers or vertically integrated investment firms.
- P2 firms hold 6.4bps (2024: 6.9bps) and P3 firms 10.0 bps (2024: 8.2 bps).
- Across all firms, the median amount of capital held as a proportion of AUM/A for operational risk is 8.3 bps (2024: 6.5 bps) and we continue to see significant dispersion between firms in terms of amount held.

Median operational risk requirements as a proportion of AUM/A (in basis points)



Distribution of operational risk requirements as a proportion of AUM/A (in basis points)



KPMG View

As outlined previously, one of the key differences in this year's survey is the changing composition of firms within the P1 category, with a number of new entrants having proportionally higher capital requirements. A significant driver of this outcome is operational risk requirements. These firms, often wealth managers or vertically integrated investment firms, tend to operate more complex business models, resulting in bigger operational risk profiles and, consequently, higher capital requirements for ongoing harms.

Beyond this, we continue to observe significant variation across firms in the proportion of capital held relative to AUM/A. While part of this dispersion is sometimes attributable to differences in business models, it can also be driven by different approaches to capital assessments. In particular, smaller firms are less likely to benefit from economies of scale in managing and mitigating risk and may also be more inclined to adopt simpler, more conservative assessment approaches. While these approaches are often easier to understand, they can result in proportionally higher capital requirements when compared to more sophisticated methodologies that reflect diversification. Taken together, this reinforces the importance of aligning capital assessment approaches with firms' underlying risk profiles and operating models, while ensuring methodologies remain robust, proportionate and well-governed.

Approaches to operational risk assessments

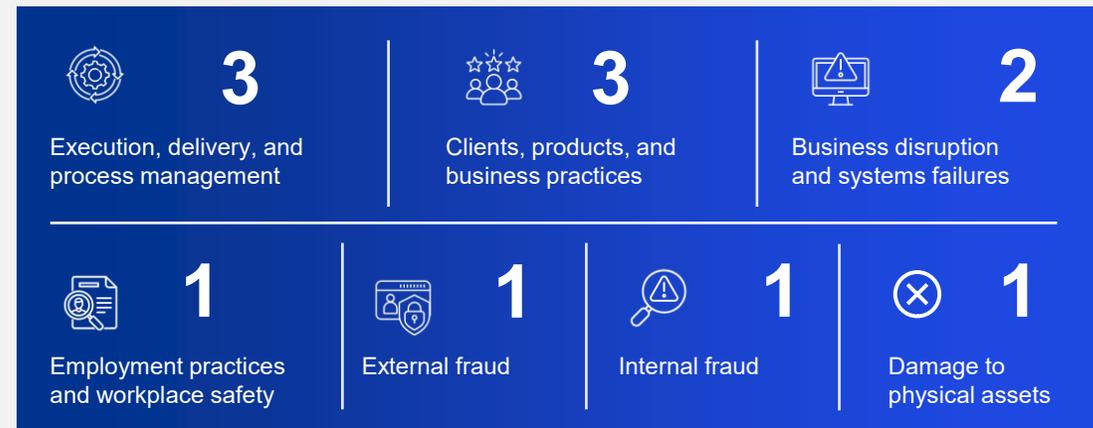
The number and types of operational risk scenarios continue to be broadly consistent year-on-year. Firms with statistical models continue to see significant reductions in their self-assessed capital requirements.



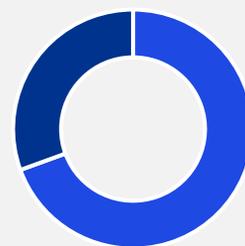
Trends in the data

- Scenario types remain broadly consistent year-on-year. One small change is that firms are now doing more scenarios focused on clients, products and business practices.
- Only one firm in the survey (3%) uses insurance as a mitigant to reduce their capital assessment. Last year, 13% of firms applied this.
- All firms that use a statical model (67% of the total population) assume some form of diversification benefit (i.e. assuming not all scenarios will occur in the same time period). Previously, 79% of firms using a statistical model applied diversification.
- Where firms use diversification, the median reduction in capital requirements is 29%.

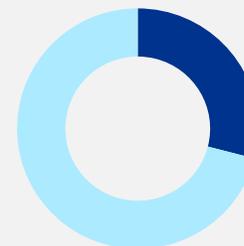
Median number of operational risk scenarios by Basel operational risk category



Diversification benefit use in assessments using a model



69%
Firms using operational risk diversification in a statistical model



29%
Median capital reduction applied in a statistical model through diversification

KPMG View

We do not expect the types of operational risk scenarios to change materially year-on-year. However, we have observed a small shift in the composition of scenarios, with an increased focus on clients, products and business practices. This may reflect the implementation of Consumer Duty and, more importantly, firms' experience of FCA supervisory expectations in this area. In practice, more firms are explicitly considering scenarios that directly impact client outcomes or align with key Consumer Duty themes.

The overall reduction in capital requirements achieved through the use of statistical operational risk models remains broadly consistent with previous years. It is notable that all firms using models now apply diversification benefits, reinforcing that one of the most significant advantages of model-based approaches is the ability to reflect more realistic assumptions around the likelihood and correlation of risk events. This continues to differentiate model-based approaches from simpler methodologies.

By contrast, only one firm in the survey reduces operational risk capital through insurance mitigation. This is perhaps unsurprising given the historically limited use of insurance as a mitigant in these assessments.

Risk coverage and capitalisation in operational risk assessments

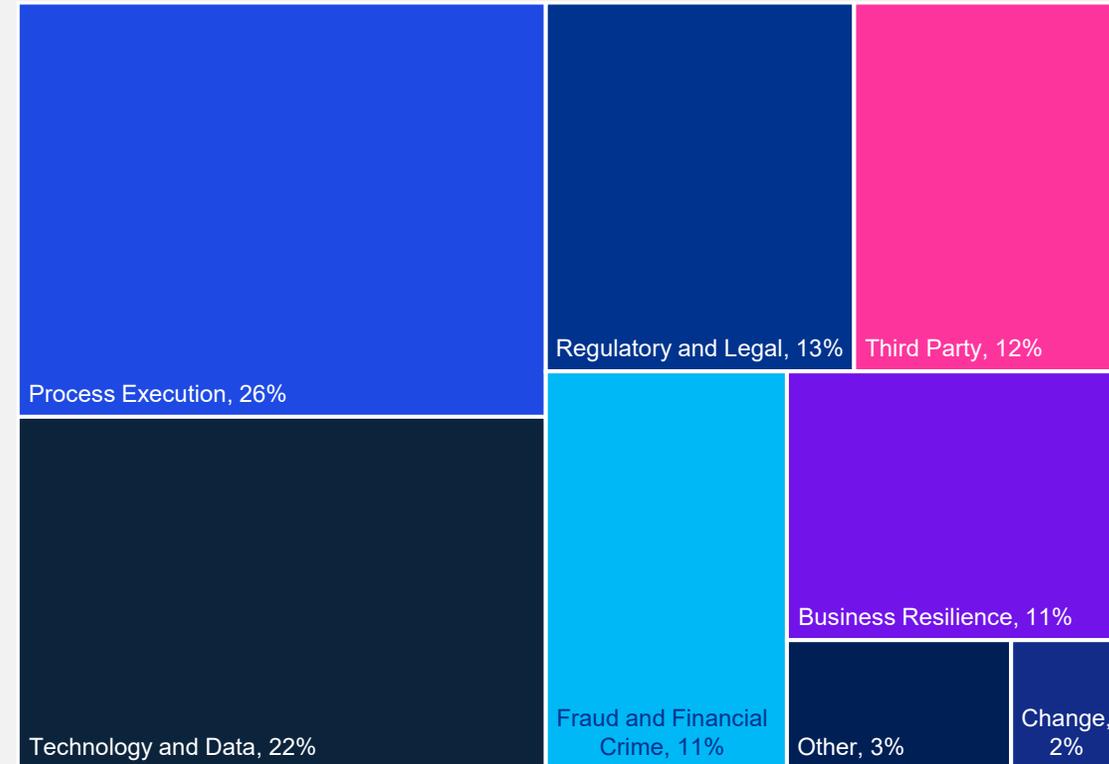
Operational risk capital for wealth and asset managers continues to be driven primarily by execution and process risks. However, technology and data in an area where more capital is held compared to previous years.



Trends in the data

- Process execution continues to be the most significant risk firms hold operational risk capital for (26% of capital held).
- There has been an increase in capital linked to technology and data risks (22% versus 14% in 2024).
- Regulatory and legal is now the third most significant risk category with a reduction in the amount of capital firms hold for this risk (13% versus 23% in 2024).

Typical proportion of capital held for each key operational risk category



KPMG View

When focusing on the proportion of capital firms hold for operational risk, process execution continues to emerge as one of the most significant risk categories across the survey population. This reflects the highly operational and execution driven nature of asset and wealth management firms, where failures in core processes can have direct impacts on clients, markets and the firm itself.

While many firms identify cyber risk as a key risk within their broader risk management frameworks, this is also clearly reflected in the underlying operational risk data where technology and data risks represent the second largest operational risk category. Business resilience and third-party risk also continues to be a driver of capital. Both cyber risk and operational resilience considerations are often key drivers across all of these categories, given firms' increasing reliance on digital, technology, data and outsourced service providers.

Developing and maintaining operational risk scenarios can be challenging to keep 'live' year-on-year. However, where firms clearly link scenarios back to their underlying risk management frameworks, reflect changes in the business, and refresh assessments on a consistent year-on-year basis, this helps demonstrate that the ICARA is being actively used and that operational risk remains a living and embedded assessment.

Approaches to corporate liquidity risk assessments

More firms are performing liquidity stress testing on a more granular basis (e.g. daily or weekly). This likely reflects feedback to the industry from the regulator on corporate liquidity stress testing.



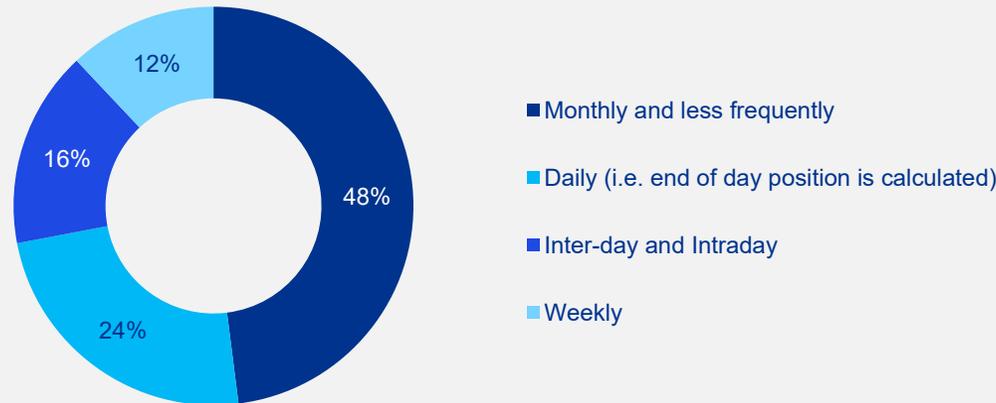
Trends in the data

- The median number of liquidity-risk-specific scenarios considered by each participant indicates that firms continue to place greater emphasis on idiosyncratic events than on market-wide or combined scenarios for liquidity assessments.
- There has been an observable shift towards more granular analysis of liquidity stress testing compared with 2024. In 2024, only 40% of firms conducted liquidity stress testing on a daily, intraday, or weekly basis. This has since increased to 52%.

Median number of the liquidity risk specific scenarios considered



Granularity levels of modelling considered for liquidity stress testing



KPMG View

We continue to see the FCA expect firms to perform liquidity stress testing, and in some cases to adopt more granular approaches, such as daily or intraday analysis. Alongside this, the FCA has undertaken targeted thematic work in 2025, including reviews focused of wealth management groups, which have highlighted funding risks. This focuses particularly on the strain that dividend payment expectations or requirements can place on regulated entities within a group structure. These reviews have reinforced supervisory expectations that firms should be able to demonstrate they can continue to meet liquidity requirements in stress scenarios where, for example, dividends are required to support group-level debt.

One response to this evolving supervisory focus has been an increase in the granularity of liquidity stress testing performed by some firms, alongside consideration of a broader range of idiosyncratic events within liquidity scenarios. This reflects a growing recognition that firm-specific risks, rather than purely market-wide stresses, can be the binding constraint on liquidity.

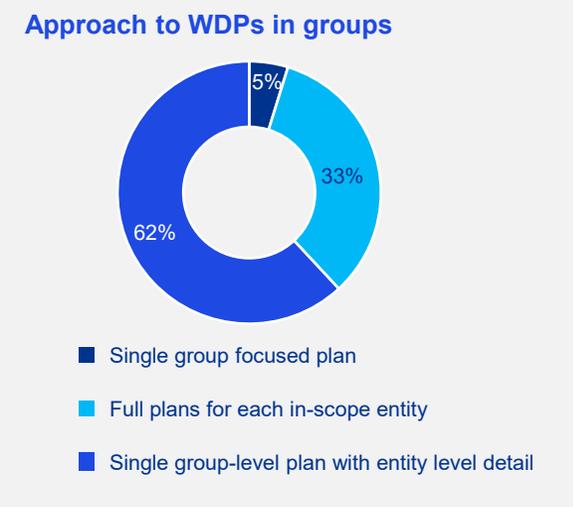
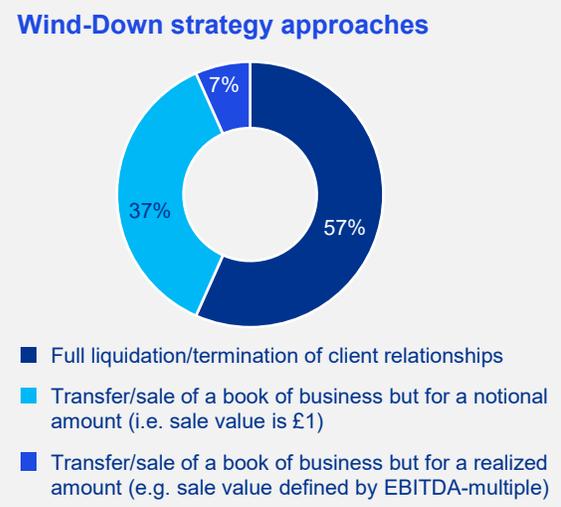
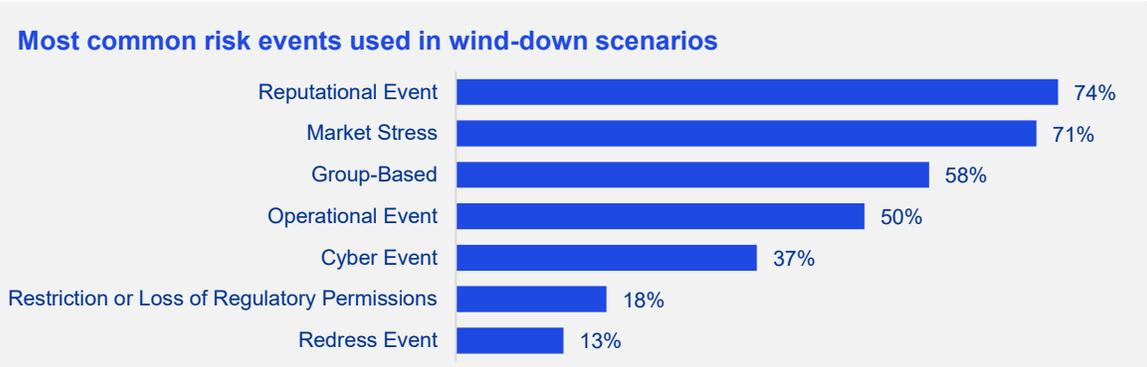
We have also observed firms not subject to FCA reviews reassessing their liquidity assessments, particularly where initial approaches were highly conservative. Refining assumptions around the number, severity and duration of liquidity stresses, supported by more granular analysis, can help firms reassess a more proportionate requirement.

Approach to wind-down planning

Wind-down scenarios are always an area of challenge and many firms identify scenarios based on multiple different risk events impacting the business at once.



- ### Trends in the data
- In terms of scenario components, 74% of participants assumed a reputational event occurred. This was closely followed by 71% of participants assuming a market stress event is also the backdrop to a wind-down.
 - Firms in groups are split in their approach to wind-down plans with 62% (2024: 56%) of firms focusing on a single group level plan with entity level consideration throughout. 33% of firms (2024: 38%) conduct full plans for each in scope entity with the remaining 5% (2024: 6%) producing a single group focused plan.
 - Wind-down strategy approaches are relatively consistent year on year. However, some firms have now taken a financial benefit from selling their book of business (7%) when previously no firms made this assumption.



KPMG View

Investment firms often find identifying an appropriate wind-down scenario particularly challenging. There is a fine balance between defining a scenario that renders the business unviable but still allows for an orderly wind-down, and one that pushes the firm directly into insolvency. As a result, many firms combine multiple stress elements, such as reputational damage, market stress and operational events, including cyber attacks, to develop scenarios that are sufficiently severe but still credible.

This year, we have observed a clear broadening in the range of risk event types included in wind-down analysis. In particular, there has been a notable increase in the inclusion of cyber risk, with 37% of firms now modelling cyber attacks as part of their wind-down scenario, compared to 23% last year. This is unsurprising given cyber risk continues to feature as one of the most significant risks on firms' agendas elsewhere in the survey.

In terms of wind-down approaches, one notable development is an increase in firms assuming a transfer or sale of their business for a realised value. In our experience, the FCA will accept this assumption where it is supported by robust analysis of the economics of a transfer, conservative timelines, and a clear assessment of the liquidity required to sustain the business until that point.

Operational analysis within the wind-down plan

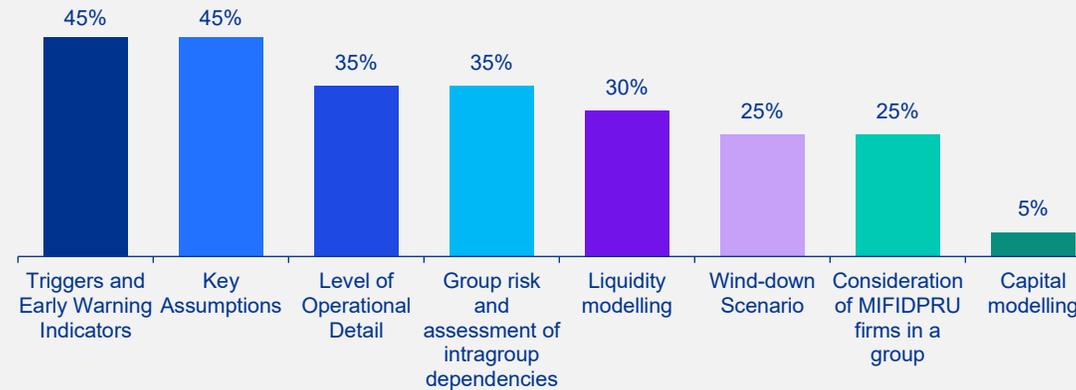
The FCA has issued granular guidance on its expectations for wind-down plan documents. This aligns with the increasing focus seen on having ‘operable’ plans.



Trends in the data

- Where participant wind-down plans have been reviewed by the FCA, the two most common areas of feedback is on triggers and early warning indicators (45%) defined by firms and key assumption (45%).
- Most firms only model a single wind-down scenario – the median number of wind-down scenarios modelled is one. However, there is a trend of some firms now modelling two scenarios (with the upper quartile of respondents modelling 2).
- The median length of time firms take to wind-down is 18 months, double the FCA minimum expectation of 9 months in regulatory guidance.
- The median retention bonus payment in wind-down plans is 38% (relative to base salary).

Most common area of feedback identified by the FCA in Wind-Down Plans



Median retention bonus

▶ 38%

Median number of the planned length of the wind-down period

18 Month



KPMG View

Having robust wind-down plans continues to be a key area of focus for both firms and the FCA. The themes of FCA feedback to firms have remained broadly consistent, which is unsurprising given there were no changes in the survey population subject to supervisory review in 2025. Core assumptions, such as the length of the wind-down period or the use of retention bonus payments, have also remained largely unchanged year-on-year.

Where we have seen progress is in firms improving the operability of their wind-down plans. This includes conducting tabletop or fire-drill exercises focused on specific components of the plan, using these exercises to test credibility and decision-making under stress. Firms are also increasingly developing more detailed operational playbooks, including practical guidance on key elements such as client and stakeholder communications during wind-down.

When wind-down liquidity requirements were first introduced under the IFPR, some firms adopted highly conservative approaches. As these requirements have become better understood and embedded, we are now seeing some firms identify ways to reassess their wind-down approaches. In some cases, this analysis can lead to an assessment which results in a lower wind-down requirement where supported by underlying detailed analysis.

Contact us



To discuss the issues raised in the report, please contact:



Daniel Barry

Head of Risk and Compliance, Wealth and Asset Management

Partner

T: +44 7599 100490
E: daniel.barry@kpmg.co.uk



Rob Crawford

SME – Financial Resilience Regulation

Director

T: +44 7468 741339
E: robert.crawford@kpmg.co.uk



Michael Johnson

SME – Wealth and Asset Management Regulation

Director

T: +44 2030 783170
E: michael.johnson@kpmg.co.uk



David Collington

SME – Wealth and Asset Management Regulation

Senior Manager

T: +44 7743 558616
E: david.collington@kpmg.co.uk





Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.



kpmg.com/uk

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2026 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

Document Classification: KPMG Public

CREATE: CRT165357A | February 2026