Solvency and Financial Condition Report 2023

Phoenix Group Holdings plc
For the year ended 31 December 2023

Contents

Summary

Introduction and background

Phoenix Group is the UK's largest long-term savings and retirement business. With approximately £283 billion of assets under administration we offer our c.12 million customers a range of products through our trusted pensions, savings and life insurance brands. Our mission is to help everyone achieve the retirement they want and stay with them for the whole journey. Our purpose is to help people secure a life of possibilities, from our customers, colleagues, investors to wider society.

This means helping people engage with their financial futures, understanding that the journey to and through retirement is as unique as the person making it. It means providing specialist products and services through our customer brands. And using our unique presence and voice to speak up on behalf of our customers.

It's also about taking steps now so we can all enjoy a healthy, secure planet. We're on our journey to become a net zero organisation by 2050, looking to maximise the opportunities of sustainable investments while maintaining strong financial returns.

For management purposes, the Group is organised into value centres. During the period the Group reassessed its reportable segments to reflect its transition to a purpose-led retirement specialist and the commencement of the grow, optimise and enhance stage of our strategic journey. The Group now has five operating segments comprising Retirement Solutions, Pensions & Savings, With-Profits, SunLife & Protection, and Europe. For reporting purposes, operating segments are aggregated where they share similar economic characteristics including the nature of products and services, types of customers and the nature of the regulatory environment. The SunLife & Protection operating segment has been aggregated with the Europe operating segment to form the Europe & Other reportable segment. Our operating model enables the Group to support new and existing customers on their journey to and through retirement.

The Retirement Solutions segment includes new and in-force individual annuity and Bulk Purchase Annuity contracts written within shareholder funds, with the exception of individual annuity contracts written as a result of Guaranteed Annuity Options on with-profit contracts which remain in the With-Profits segment. The Retirement Solutions segment also includes UK individual annuity business written within the Standard Life Heritage With-Profit Fund, as profits are primarily attributable to the shareholder through the Recourse Cash Flow mechanism established on demutualisation.

The Pensions & Savings segment includes new and in-force life insurance and investment unit-linked policies in respect of pensions and savings products that the Group continues to actively market to new and existing policyholders. This includes products such as workplace pensions and Self-Invested Personal Pensions ('SIPPs') distributed through the Group's strategic partnership with abrdn plc. In addition, it includes in-force insurance and investment unit-linked products from legacy businesses which no longer actively sell products to policyholders and which therefore gradually run-off over time. The Pensions & Savings segment also includes UK unitised business written in the Standard Life Heritage With-Profit Fund as profits are primarily attributable to the shareholder through the Recourse Cash Flow mechanism.

The With-profits segment includes all policies written by the Group's with-profit funds, with the exception of Standard Life Heritage With-Profit Fund contracts reflected in other segments as noted above for Retirement Solutions and Pensions & Savings where profits are primarily attributable to the shareholder through the Recourse Cash Flow mechanism.

The Europe & Other segment includes business written in Ireland and Germany. This includes products that are actively marketed to new policyholders and legacy in-force products that are no longer being sold to new customers. The segment also includes protection products and products sold under the SunLife brand.

As at 31 December 2023, the Group's life insurance subsidiaries (also referred to as 'the Life Companies') comprise Phoenix Life Limited ('PLL'), Phoenix Life Assurance Limited ('PLAL'), Standard Life Assurance Limited ('SLAL') and Standard Life Pension Funds Limited ('SLPF') (together the 'Internal Model insurance subsidiaries'), ReAssure Limited ('RAL') and ReAssure Life Limited ('RLL') (together the 'ReAssure insurance subsidiaries'), Sun Life Assurance Company of Canada (U.K.) Limited ('SLOC'), Standard Life International Designated Activity Company ('SLIDAC'), Phoenix Life Assurance Designated Activity Company ('PLAE') and Phoenix Re Limited ('PRL'), an authorised life insurer incorporated in Bermuda.

In addition, the Group includes PA(GI) Limited ('PA(GI)'), an entity that wrote general insurance business in the past. References throughout this document to the 'Life Companies' and 'Insurance subsidiaries' do not include PA(GI).

In October 2023, the Group completed the funds merger of the businesses of PLAL, SLAL and SLPF into PLL. PLAL, SLAL, and SLPF remain regulated insurance subsidiaries within the scope of the Group's approved internal model. As a result of the insurance business within these subsidiaries transferring to PLL during the year, the Solvency II excess of assets over liabilities of these subsidiaries has reduced to £4 million at 31 December 2023 and consequently, these entities are not sufficiently material for inclusion in certain disclosures that are based on the position at 31 December 2023. For instance, they are not included in the summary of undiversified risk exposure set out in the Risk Profile section.

The Group has been granted approval under a waiver from the PRA to prepare a single Group-wide Solvency and Financial Condition Report ('SFCR') (hereafter referred to as 'the Group SFCR') that contains the required information for the Group along with its UK regulated insurance subsidiaries, being PLL, PLAL, SLAL, SLPF, RAL, RLL, SLOC and PA(GI).

The Group continues to develop its non-UK operations, with PLAE and PRL, two newly established companies in the Group, commencing trading during 2023. During 2023, PRL entered into an intra-group reinsurance arrangement with SLIDAC but has no external insurance business and therefore no restrictions. Separate SFCRs have been published for SLIDAC and PLAE, the Group's two Irish regulated subsidiaries.

The Group SFCR has been prepared in accordance with the PRA Rules and Solvency II regulations, hereafter referred to as 'the regulations'.

Solvency UK refers to the Solvency II reforms announced by the Government in the 2022 Autumn Statement. It represents a package of measures that aim to allow more effective use of capital whilst continuing to protect customers. The reforms include updates to requirements in respect of the risk margin, matching adjustment, increasing investment flexibility and reducing reporting and administrative burdens. The timing of the full package of reforms is subject to the outcome of the consultation conducted by the PRA in 2023, however, reforms to the risk margin came into force on 31 December 2023 and have been reflected in the Group SFCR.

This report, including the accompanying QRTs included in Appendices 1-9, provides the detailed information required by the regulations in respect of business and performance, system of governance, risk profile, valuation for solvency purposes and capital management.

Business and performance

Group

The Group has delivered another year of strong financial performance as we execute on our strategy and fulfil our purpose, making significant progress towards delivering sustainable organic growth.

The Group adopted IFRS 17 effective from 1 January 2023 for statutory reporting purposes and the relevant comparative information for the year ended 31 December 2022 has been retrospectively restated in its consolidated financial statements. Where references are made to the consolidated financial statements in this report, comparative amounts will be presented on a consistent basis.

Summary continued

Business and performance continued

Group continued

The underwriting performance of the Group is measured using adjusted operating profit, a non-GAAP measure that reflects the underlying performance of the business as it excludes the impact of short-term economic volatility and other one-off items.

Adjusted operating profit increased by 13% during the year to £617 million (2022: £544 million (restated)), primarily driven by strong growth in the Pensions & Savings segment, which is up 27% year on year to £190 million. This was largely driven by higher assets under administration ('AUA') resulting in increased charges, and an improved margin through operating leverage.

The Group's Retirement Solutions business segment delivered adjusted operating profit of £378 million (2022: £349 million (restated)), which increased year-on-year, primarily reflecting a higher expected investment margin as a result of higher risk-free rates. The Group's With-Profits segment delivered an adjusted operating profit of £10 million (2022: £54 million (restated)). The Group's Europe & Other segment delivered adjusted operating profit of £132 million (2022: £60 million (restated)).

The Group generated an IFRS loss after tax attributable to owners of £(88) million (2022: £(2,657) million (restated)) in the year. The significant reduction in IFRS loss after tax is due to lower market volatility impacts in 2023.

Section A includes further detail on the performance of the Group described using results as presented in the IFRS financial statements. A range of other performance metrics are reported along with further commentary on results in the Business Review section of the Group Annual Report and Accounts for the year ended 31 December 2023 ('ARA').

Significant business and other events during 2023 that have had material impact on the Group include:

- Continued progress with in-flight integrations and migrations as the Group moves toward delivery of the target operating model for IT and operations;
- Continued delivery of new business long-term cash generation ('LTCG') of c.£1,514 million in 2023 (2022: £1,233 million), delivering the 2025 target of £1.5 billion two years early;
- Completing the acquisition of SLF of Canada UK Limited ('Sun Life UK'), a closed book of UK life insurance business, from Sun Life Financial Inc for consideration of £250 million. This was the Group's first ever cash funded acquisition.
- Completion of the funds merger of SLAL, SLPF and PLAL into PLL, bringing together the businesses of four legal entities, comprising c. 8 million policies and c. £200 billion of assets, based on 31 December 2022 values.

UK regulated insurance subsidiaries

The UK regulated insurance subsidiaries (except for SLOC and PA(GI) which apply IFRS) prepare their individual financial statements on the basis of UK GAAP. This is a change from the prior year when these entities prepared financial statements under IFRS.

UK GAAP does not include the use of alternative performance measures such as operating profit so it is not possible to report on underwriting performance in the same manner as being reported for Group. For the UK regulated insurance subsidiaries, Solvency II performance is a primary metric and underwriting performance is measured by premiums, claims and expenses as reported under Solvency II. Section A includes detail on the performance of the UK regulated insurance subsidiaries, described using results as presented in their individual quantitative reporting templates which are included in the Appendices. A further indicator of the performance of the business is the analysis of Own Funds and Solvency II Surplus, as shown in E.1.

Investment performance for life companies is provided on a basis consistent with that provided for the Group, as there is no significant difference between investment performance under IFRS/UK GAAP and Solvency II.

Other material income and expenses are provided on a consistent basis under IFRS, UK GAAP and Solvency II and are included within QRT S.05.01.02 within the Other Expenses line.

System of governance

The Board of PGH plc ('PGH') is responsible for the strategic direction of the Group and is accountable for compliance with Solvency II requirements. The insurance subsidiaries' Boards are responsible for managing the overall direction and performance of the life insurance companies. They are also ultimately accountable for compliance with the Solvency II requirements that relate to them.

The Boards of both PGH and its insurance subsidiaries are committed to high standards of corporate governance and are supported by the appropriate Board committees and Management committees. Further details of the Group's governance framework are included in section B.

Risk profile

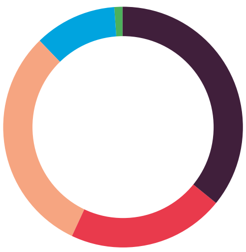
The Group's Risk Management Framework ('RMF') seeks to ensure that all material risks are identified, assessed, controlled, monitored and managed within approved risk appetites and reported through agreed governance routes in line with delegated authorities. The Group continues to make great strides towards moving to a single risk framework which provides greater visibility of Risks and Controls across the Group to ensure that Risk continues to be managed effectively.

Risk appetite is used to define the amount and type of risk that the Group is willing to take in the pursuit of enhancing customer and shareholder value and the attainment of strategic objectives. Risk appetite statements establish the risk boundaries within which the Group is willing to operate, set the tolerance for delivery against objectives and are a key tool in balancing the interests of different stakeholders. The Group defines risk appetite in the areas of capital, liquidity, shareholder value, control, conduct and sustainability.

The Group continues to determine its capital requirements on a Partial Internal Model ('PIM') basis, with the contribution from the ReAssure entities, the acquired Sun Life UK entities, SLIDAC, PLAE and the Bermudan entities being assessed on a Standard Formula basis. Capital requirements calculated under the Internal Model and Standard Formula are aggregated in determining Group capital requirements, with no further allowance for diversification.

The chart and table below show the composition of the Group's undiversified Solvency Capital Requirement ('SCR') as at 31 December 2023. The largest component of the undiversified SCR is underwriting risk for the Group, which is the risk that the frequency or severity of insured events may be worse than expected and includes expense risk.

Risk Profile



Underwriting risk	36%
Market risk	21%
Credit risk	31%
Liquidity risk	–
Operational risk	11%
Other risks	1%

Detailed definitions of the risk categories are provided in section C with further details on the SCR set out in section E.2.1.

A summary of the undiversified SCR of the Group and the insurance subsidiaries is also presented below.

Summary continued

Risk profile continued

Risk profile of insurance subsidiaries and the Group	Section reference	PLL	PA(GI)	PGH Group Harmonised Internal Model	RAL	RLL	SLIDAC	SLOC	PGH Group Standard Formula	PGH Group
Underwriting risk	C.1	31%	–	30%	46%	–	44%	61%	53%	36%
Market risk	C.2	22%	–	22%	22%	17%	31%	19%	17%	21%
Credit risk	C.3	35%	–	34%	27%	53%	16%	11%	23%	31%
Liquidity risk	C.4	–	–	–	–	–	–	–	–	–
Operational risk	C.5	12%	100%	12%	5%	30%	9%	9%	7%	11%
Other risks	C.6	–	–	2%	–	–	–	–	–	1%
Total		100%	100%	100%	100%	100%	100%	100%	100%	100%

Valuation for solvency purposes

For the purposes of Solvency II reporting, the Group applies the Solvency II valuation rules to its assets, technical provisions and other liabilities. The principle that underlies the valuation methodology for Solvency II purposes is to recognise assets and liabilities at an amount for which they could be exchanged, transferred or settled by knowledgeable and willing third parties in an arm's length transaction.

Technical provisions are held in respect of liabilities to policyholders and are calculated as the sum of best estimate liabilities ('BEL') plus a risk margin and reduced by transitional measures on technical provisions ('TMTP'), where relevant. The BEL represents our best estimate of future cash flows on the in-force business, taking into account the time value of money. The Group has taken advantage of TMTP, which allows for the recognition of a deduction from technical provisions calculated as the difference between their value under the current and previous solvency regimes. This transitional measure applies for 16 years from 1 January 2016, and the deduction will be fully amortised over that period.

The excess of assets over liabilities measured on a Solvency II basis for the Group and its insurance subsidiaries is set out in the table below:

31 December 2023	PLL £m	PLAL £m	SLAL £m	SLPF £m	RAL £m	RLL £m	SLOC £m	PA(GI) £m	Other Group entities £m	Consolidation and other adjustments £m	PGH Group £m
Excess of assets over liabilities	9,480	4	4	4	3,301	263	298	28	37,703	(40,312)	10,773

1 Other Group entities includes the Eligible Own Funds of the Group's non-UK insurance companies holding companies and non-insurance subsidiaries and includes the contribution of Group pension schemes and subordinated liabilities qualifying as capital for solvency purposes.

2 Group consolidation adjustments include the elimination of intercompany balances and participations.

Under Solvency II, the excess of assets over liabilities is higher than the equivalent value on a statutory basis primarily due to differences in the measurement of technical provisions. Section D provides further information on the description of the bases, methods and main assumptions used in the valuation of assets, technical provisions and other liabilities, including explanations of material differences between Solvency II and the statutory basis. As part of the on-going reforms to Solvency II in the UK, during the year changes were introduced to the determination of the risk margin. This had the effect of decreasing the value of the risk margin and reducing its sensitivity to changes in interest rates. The impact of this change was partially offset by a reduction in TMTP that had been recognised to mitigate the introduction of the risk margin under the Solvency II regime, applicable to business in-force as at 1 January 2016. Further details are set out in section D.2.11. There have been no other changes in the valuation methods for solvency purposes applied by the Group during the year.

Capital management

The Group and its insurance subsidiaries manage Solvency II Own Funds to ensure that sufficient capital resources are held in accordance with the Group's risk appetite and regulatory requirements. Further details on the Group's solvency capital requirements are set out in section E.

At 31 December 2023, the capital position for the Group and its insurance subsidiaries is as follows:

Summary continued

31 December 2023	Eligible Own Funds £m	SCR £m	Solvency II surplus £m	Ratio of Eligible Own Funds to SCR %	Shareholder capital coverage ratio %
PLL	7,917	(5,122)	2,795	155%	193%
PLAL[4]	4	(3)	1	127%	127%
SLAL[4]	4	(3)	1	114%	114%
SLPF[4]	4	(3)	1	118%	118%
RAL	2,672	(1,342)	1,330	199%	215%
RLL	263	(18)	245	1,436%	1,436%
SLOC	297	(174)	123	170%	170%
PA(GI)	28	(26)	2	111%	111%
SLIDAC	645	(332)	313	194%	194%
PLAE	103	(53)	50	196%	196%
Other Group entities[1]	40,513	(500)	40,013		
Consolidation and other adjustments[2]	(41,381)	366	(41,015)		
PGH Group 31 December 2023[3]	11,069	(7,210)	3,859	154%	176%
PGH Group 31 December 2022	11,146	(6,644)	4,502	168%	189%

1 Other Group entities includes the Eligible Own Funds of PRL, the Group's holding companies and non-insurance subsidiaries and include the contribution of Group pension schemes and subordinated liabilities qualifying as capital for solvency purpose.

2 Group consolidation adjustments include the elimination of intercompany balances and participations.

3 The Group's Solvency II surplus at 31 December 2023 incorporates a mandatory recalculation of TMTP at that date. Assuming a dynamic recalculation of TMTP as at 31 December 2022, the Group's Solvency II surplus would have been £95 million lower.

4 The capital requirements and solvency ratios for PLAL, SLAL and SLPF are based on the MCR, as this is greater than the SCR for those entities.

The Group and its insurance subsidiaries held Own Funds in excess of both the SCR and MCR throughout the reporting period and therefore fully complied with the capital requirements.

As at 31 December 2023, the Group's Solvency II surplus over the Group SCR was £3,859 million (2022: £4,502 million), with a ratio of Eligible Own Funds to SCR of 154% (2022: 168%). The reduction in the Solvency II surplus primarily reflects operating costs, dividends and interest, investment of surplus capital into growth, including the strain associated with writing new bulk purchase annuity business and adverse economic variances. The Group also set aside c.£70 million as a result of the FCA's new Consumer Duty, to reflect the impact of the possibility of introducing further charging caps on certain products. This adds to the substantial investment that the Group has made in this area, setting aside over £200 million over the previous seven years on reducing charges and making planned investment to move customers to more modern technology. These negative impacts were partially offset by operating surplus generation for the year, which comprises on-going surplus emergence and recurring management actions, together with other management actions undertaken, including capital synergies arising on the funds merger into PLL.

The movement in the Group's Solvency II surplus is described in further detail in section E.1.3.5.

Quality of Own Funds
Eligible Own Funds represent the available capital to support the SCR. 61% (2022: 61%) of the Group's Eligible Own Funds are classified as unrestricted Tier 1 capital and are principally comprised of ordinary share capital and share premium, surplus funds and the reconciliation reserve. This includes allowance for TMTP, which is included in the calculation of Own Funds as Tier 1 capital. The TMTP allows firms to apply a transitional deduction to their technical provisions. Transitional measures are aimed at providing a smooth transition between the technical provisions under the previous Solvency I regulatory regime and the technical provisions under the Solvency II regulatory regime.

Further details regarding the Group and each insurance subsidiary's' capital position are set out in section E.1.

SCR by risk category
The SCR is the amount of capital an insurer is required to hold under the regulations. Further details are set out in section E.2.

Shareholder capital coverage ratio
In the calculation of the Solvency II surplus, the SCR of unsupported with-profit funds and the Group's pension schemes is included, but the related Eligible Own Funds are recognised only to a maximum of their respective SCR amounts. Surpluses that arise in unsupported with-profit funds and the pension schemes are therefore not recognised in the Solvency II surplus, as there is uncertainty as to the extent (if any) to which such surpluses will accrue to shareholders. However, such surpluses are available to absorb economic shocks, thereby increasing resilience to economic stresses.

The Group focuses on the metric of shareholder capital coverage ratio, as a more appropriate measure of the extent to which shareholders' Eligible Own Funds cover the associated risk capital. It is defined as the ratio of Eligible Own Funds to SCR, after adjustment to exclude Own Funds and SCR amounts relating to unsupported with-profit funds and the Group's Pension Schemes.

As at 31 December 2023, the shareholder capital coverage ratio for the Group is 176% (2022: 189%).

Directors' responsibility statement

Phoenix Group Holdings plc

Approval by the Board of Directors of the Solvency and Financial Condition Report.

Financial year ended 31 December 2023.

We acknowledge our responsibility for preparing the Solvency and Financial Condition Report in all material respects in accordance with the PRA Rules and the Solvency II regulations.

We are satisfied that:

a) throughout the financial year to 31 December 2023, the Group has complied in all material respects with the requirements of the PRA Rules and Solvency II regulations as applicable to the Group; and

b) it is reasonable to believe that in respect of the period from 31 December 2023 to the date of the publication of the Group Solvency and Financial Condition Report, the Group has continued so to comply and will continue so to comply in the future.

Andy Briggs	**Rakesh Thakrar**
Group Chief Executive Officer	Group Chief Financial Officer

For and on behalf of the Group Board of Directors

Date: 5 April 2024

Phoenix Life Limited ('PLL'), Phoenix Life Assurance Limited ('PLAL'), Standard Life Assurance Limited ('SLAL'), ReAssure Limited ('RAL'), ReAssure Life Limited ('RLL') and Sun Life Assurance Company of Canada (U.K.) Limited ('SLOC')

Approval by the Board of Directors of the Solvency and Financial Condition Report.

Financial year ended 31 December 2023.

We acknowledge our responsibility for preparing the Solvency and Financial Condition Report for PLL, PLAL, SLAL, RAL, RLL and SLOC in all material respects in accordance with the PRA Rules and the Solvency II regulations.

We are satisfied that:

a) throughout the financial year to 31 December 2023, PLL, PLAL, SLAL, RAL, RLL and SLOC have complied in all material respects with the requirements of the PRA Rules and Solvency II regulations as applicable to the Life Companies; and

b) it is reasonable to believe that in respect of the period from 31 December 2023 to the date of the publication of the Group Solvency and Financial Condition Report, PLL, PLAL, SLAL, RAL, RLL and SLOC have continued so to comply and will continue so to comply in the future.

Andy Briggs	**Arlene Cairns**
Group Chief Executive Officer	Finance Director

For and on behalf of the Board of Directors of the PLL, PLAL, SLAL, RAL, RLL and SLOC

Date: 5 April 2024

Directors' responsibility statement continued

Standard Life Pension Funds Limited ('SLPF')

Approval by the Board of Directors of the Solvency and Financial Condition Report.
Financial year ended 31 December 2023.

We acknowledge our responsibility for preparing the Solvency and Financial Condition Report for SLPF in all material respects in accordance with the PRA Rules and the Solvency II regulations.

We are satisfied that:

a) throughout the financial year to 31 December 2023, SLPF has complied in all material respects with the requirements of the PRA Rules and Solvency II regulations as applicable to SLPF; and

b) it is reasonable to believe that in respect of the period from 31 December 2023 to the date of the publication of the Group Solvency and Financial Condition Report, SLPF has continued so to comply and will continue so to comply in the future.

Brid Meaney
Director

Arlene Cairns
Director

For and on behalf of the Board of Directors of SLPF

Date: 5 April 2024

PA(GI) Limited ('PA(GI)')

Approval by the Board of Directors of the Solvency and Financial Condition Report.
Financial year ended 31 December 2023.

We acknowledge our responsibility for preparing the Solvency and Financial Condition Report for PA(GI) in all material respects in accordance with the PRA Rules and the Solvency II regulations.

We are satisfied that:

a) throughout the financial year to 31 December 2023, PA(GI) has complied in all material respects with the requirements of the PRA Rules and Solvency II regulations as applicable to PA(GI); and

b) it is reasonable to believe that in respect of the period from 31 December 2023 to the date of the publication of the Group Solvency and Financial Condition Report, PA(GI) has continued so to comply and will continue so to comply in the future.

Rakesh Thakrar
PA(GI) Director

Brid Meaney
PA(GI) Director

For and on behalf of the Board of Directors of PA(GI)

Date: 5 April 2024

Auditor's report

Report of the independent external auditor to the Directors of Phoenix Group Holdings plc ('the Group') pursuant to Rule 4.1(2) of the External Audit Part of the PRA Rulebook applicable to Solvency II firms

Report on the Audit of the relevant elements of the Group Solvency and Financial Condition Report

Opinion

Except as stated below, we have audited the following documents prepared by **Phoenix Group Holdings plc** ('the Group'), comprising of **Phoenix Group Holdings plc** and the authorised insurance entities **Phoenix Life Limited ('PLL'), Phoenix Life Assurance Limited ('PLAL'), Standard Life Assurance Limited ('SLAL'), Standard Life Pension Funds Limited ('SLPF'), ReAssure Limited ('RAL'), ReAssure Life Limited ('RLL'), Sun Life Assurance Company of Canada (U.K.) Limited ('SLOC') and PA(GI) Limited ('PA(GI)')** ('the Companies') as at 31 December 2023:

- The 'Valuation for solvency purposes' and 'Capital Management' sections of the Group Solvency and Financial Condition Report of the Group as at 31 December 2023, ('**the Narrative Disclosures subject to audit**'); and
- Group templates S.02.01.02, S.22.01.22, S.23.01.22, S.32.01.22 ('**the Group Templates subject to audit**'); and
- Company templates ('**the Company Templates subject to audit**') of:
  - PLL: S.02.01.02, S.12.01.02, S.22.01.21, S.23.01.01, S.28.01.01;
  - PLAL: S.02.01.02, S.12.01.02, S.23.01.01, S.28.01.01;
  - SLAL: S.02.01.02, S.12.01.02, S.23.01.01, S.28.01.01;
  - SLPF: S.02.01.02, S.12.01.02, S.23.01.01, S.28.01.01;
  - RAL: S.02.01.02, S.12.01.02, S.22.01.21, S.23.01.12, S25.01.01, S.28.01.01;
  - RLL: S.02.01.02, S.12.01.02, S.23.01.01, S25.01.12, S.28.01.01;
  - SLOC: S.02.01.02, S.12.01.02, S.23.01.01, S25.01.12, S.28.01.01; and
  - PA(GI): S.02.01.02, S.23.01.01, S.28.01.01.

The Narrative Disclosures subject to audit and the Group and Company Templates subject to audit are collectively referred to as the '**relevant elements of the Group Solvency and Financial Condition Report**'.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information for Phoenix Group Holdings plc, PLL, PLAL, SLAL, SLPF, and PA(GI) which comprises:

- Information contained within the relevant elements of the Group Solvency and Financial Condition Report set out about above which are, or derive from the Solvency Capital Requirement, as identified in the Appendix to this report;
- The 'Business and performance', 'System of governance' and 'Risk profile' elements of the Group Solvency and Financial Condition Report;
- Group templates S.05.01.02, S.25.02.22;
- Company templates of PLL, PLAL, SLAL, SLPF and SLOC: S.05.01.02;
- Company templates of PLL, PLAL, SLAL, SLPF and PA(GI): S.25.03.21;
- Information calculated in accordance with the previous regime used in the calculation of the transitional measure on technical provisions, and as a consequence all information relating to the transitional measures on technical provisions as set out in the Appendix to this report;
- Information which pertains to an undertaking that is not a Solvency II undertaking and has been prepared in accordance with PRA rules other than those implementing the Solvency II Directive or in accordance with UK law other than the Solvency II regulations. ('**the sectoral information**'); and
- the written acknowledgement by management of their responsibilities, including for the preparation of the Group Solvency and Financial Condition Report ('**the Responsibility Statement**').

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the Other Information for RAL, RLL and SLOC which comprises:

- The 'Business and performance', 'System of governance' and 'Risk profile' elements of the Solvency and Financial Condition Report;
- Company template S.05.01.02;
- Information calculated in accordance with the previous regime used in the calculation of the transitional measure on technical provisions, and as a consequence all information relating to the transitional measures on technical provisions as set out in the Appendix to this report; and
- the written acknowledgement by management of their responsibilities, including for the preparation of the Solvency and Financial Condition Report ('**the Responsibility Statement**').

To the extent the information subject to audit in the relevant elements of the Group Solvency and Financial Condition Report includes amounts that are totals, sub-totals or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the relevant elements of the Group Solvency and Financial Condition Report of Phoenix Group Holdings plc as at 31 December 2023 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)'), including 'ISA (UK) 800 (Revised) Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks' and 'ISA (UK) 805 (Revised) Special Considerations–Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement', and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the relevant elements of the Group Solvency and Financial Condition Report section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Group Solvency and Financial Condition Report in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the relevant elements of the Group Solvency and Financial Condition Report, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the Group Solvency and Financial Condition Report is appropriate. Our evaluation of the Directors' assessment of the Group and Companies' ability to continue to adopt the going concern basis of accounting included:

- confirming our understanding of management's going concern assessment process and obtaining management's assessment which covers the period to 5 April 2025;
- with support from our actuarial team, challenging the key actuarial assumptions used in management's three-year Annual Operating Plan ('AOP'), which forms the basis for management's going concern projections and determining that the models are appropriate to enable management to make an assessment on the going concern of the group;
- assessing the accuracy of management's analysis by testing the inputs and the clerical accuracy of the models used;
- assessing management's consideration of how solvency and liquidity has been managed in response to the current economic environment and evaluated the liquidity and solvency position of the group by reviewing base case liquidity and solvency projections;
- challenging the key assumptions underlying the mandatory obligations of the group up to 5 April 2025, used in management's stress scenarios based on our understanding of the group and the available external data, respectively;
- evaluating management's forecast analysis to understand how severe the downside scenarios would have to be to result in the elimination of solvency headroom;
- assessing management's considerations of operational risks, including those related to Outsourced Service Providers ('OSPs') and their impact on the going concern assessment;
- assessing the plausibility of available management actions to mitigate the impact of the key risks by considering the success of previous similar management actions and the robustness of the plans in the context of our understanding of the group;
- checking that all mandatory debt and interest payments are forecast to be met under the base case and adverse stress scenarios and that the group is able to meet target debt repayments throughout the going concern period; and
- performing enquiries of management and those charged with governance to identify risks or events that may impact the group's ability to continue as a going concern. We also obtained management's assessment approved by the Board, minutes of meetings of the Board and its committees.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Companies' ability to continue as a going concern for a period of 12 months from when the relevant elements of the Group Solvency and Financial Condition Report are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group or Companies' ability to continue as a going concern.

Emphasis of Matter – Basis of Accounting & Restriction on Use

We draw attention to the 'Valuation for solvency purposes', 'Capital Management' and 'Basis of Preparation' sections of the Group Solvency and Financial Condition Report, which describe the basis of accounting. The Group Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. The Group Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the Prudential Regulation Authority. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose.

This report is made solely to the Directors of the Company in accordance with Rule 2.1 of the External Audit Part of the PRA Rulebook for Solvency II firms. Our work has been undertaken so that we might report to the Directors those matters that we have agreed to state to them in this report and for no other purpose.

Our opinion is not modified in respect of these matters.

Other Information

The Directors are responsible for the Other Information contained within the Group Solvency and Financial Condition Report.

Our opinion on the relevant elements of the Group Solvency and Financial Condition Report does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the Group Solvency and Financial Condition Report, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the relevant elements of the Group Solvency and Financial Condition Report themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Group Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Group Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA rules and Solvency II regulations which have been modified by the modifications, and supplemented by the approvals and determinations made by the PRA under section 138A of the Financial Services and Markets Act 2000, the PRA Rules and the Solvency II Regulations 2015.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Group Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error.

In preparing the Group Solvency and Financial Condition Report, the Directors are responsible for assessing the Company's ability to continue in operation, disclosing as applicable, matters related to its ability to continue in operation and using the going concern basis of accounting unless the Directors either intend to cease to operate the Company, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the relevant elements of the Group Solvency and Financial Condition Report
It is our responsibility to form an independent opinion as to whether the relevant elements of the Group Solvency and Financial Condition Report are prepared, in all material respects, with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Group Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the Group Solvency and Financial Condition Report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Companies and determined that the relevant laws and regulations related to elements of company law and tax legislation, and the financial reporting framework. Our considerations of other laws and regulations that may have a material effect on the Group Solvency and Financial Condition Report included permissions and supervisory requirements of the Prudential Regulation Authority ('PRA'), the Financial Conduct Authority ('FCA') and the UK Listing Authority ('UKLA').
- We understood how the Group and Companies are complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters. We also reviewed correspondence between the Group and Companies and UK regulatory bodies; reviewed minutes of the Group and Companies' Board and Executive Committees; and gained an understanding of the Group and Companies approach to governance, demonstrated by the Board's approval of the Group and Companies' governance framework.
- We assessed the susceptibility of the Group Solvency and Financial Condition Report to material misstatement, including how fraud might occur by considering the controls that they have established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. Our procedures over the Group and Companies' control environment included assessment of the consistency of operations and controls in place within the Group and Companies.
- The fraud risk was considered to be higher within the valuation of insurance contract liabilities. We considered management override risk to be higher in this area due to the significant judgments and estimates involved.

Our procedures included:

- Reviewing accounting estimates for evidence of management bias. Supported by our actuarial team, we assessed if there were any indicators of management bias in the valuation of insurance contract liabilities.
- Testing the appropriateness of journal entries recorded in the general ledger, with a focus on manual journals and evaluating the business rationale for significant and/or unusual transactions.
- We designed our audit procedures to identify non-compliance with both direct and other laws and regulations including those at the components impacting the Group and Companies. Our procedures involved: making enquiries of those charged with governance and senior management for their awareness of any non-compliance of laws or regulations, enquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, enquiring about the company's methods of enforcing and monitoring compliance with such policies, inspecting significant correspondence with the FCA and PRA.
- The Group and Companies operate in the insurance industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

A further description of our responsibilities for the audit of the Group Solvency and Financial Condition Report is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities.This description forms part of our auditor's Report on the Group Solvency and Financial Condition Report.

Other Matter
The Group has authority to calculate its Group Solvency Capital Requirement using a Partial Internal Model and PLL, PLAL, SLAL, SLPF and PA(GI) have the authority to calculate their Solvency Capital Requirements using an internal model ('the Model') approved by the Prudential Regulation Authority in accordance with the Solvency II Regulations. In forming our opinion and in accordance with PRA Rules, we are not required to audit the inputs to, design of, operating effectiveness of and outputs from the Model, or whether the Model is being applied in accordance with the Group's application or approval order.

Report on Other Legal and Regulatory Requirements.
Sectoral Information
In our opinion, in accordance with Rule 4.2 of the External Audit Part of the PRA Rulebook, the sectoral information has been properly compiled in accordance with the PRA rules and UK law relating to that undertaking from information provided by members of the group and the relevant insurance group undertaking.

Other Information
In accordance with Rule 4.1(3) of the External Audit Part of the PRA Rulebook for Solvency II firms we are also required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of Phoenix Group Holdings plc, PLL, PLAL, SLAL, SLPF, RAL, RLL, SLOC and PA(GI) statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Ernst & Young LLP
London

5 April 2024

Auditor's report continued

Appendix – relevant elements of the Group Solvency and Financial Condition Report that are not subject to audit

Phoenix Group Holdings plc

The relevant elements of the Group Solvency and Financial Condition Report that are not subject to audit comprise:

- The following elements of Group template S.02.01.02:
  - Row R0640: Technical provisions – health (similar to life) – risk margin
  - Row R0680: Technical provisions – life (excluding health and index-linked and unit-linked) – risk margin
  - Row R0720: Technical provisions – Index-linked and unit-linked – risk margin
- The following elements of Group template S.22.01.22
  - Column C0030 – Impact of transitional on technical provisions
  - Row R0010 – Technical provisions
  - Row R0090 – Solvency Capital Requirement
- The following elements of Group template S.23.01.22
  - Row R0020: Non-available called but not paid in ordinary share capital at group level
  - Row R0080: Non-available surplus at group level
  - Row R0100: Non-available preference shares at group level
  - Row R0120: Non-available share premium account related to preference shares at group level
  - Row R0150: Non-available subordinated liabilities at group level
  - Row R0170: The amount equal to the value of net deferred tax assets not available at the group level
  - Row R0190: Non-available own funds related to other own funds items approved by supervisory authority
  - Row R0210: Non-available minority interests at group level
  - Row R0380: Non-available ancillary own funds at group level
  - Rows R0410 to R0440 – Own funds of other financial sectors
  - Row R0680: Group SCR
  - Row R0740: Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
  - Row R0750: Other non available own funds
- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

Phoenix Life Limited

The relevant elements of the Group Solvency and Financial Condition Report that are not subject to audit comprise:

- The following elements of template S.02.01.02:
  - Row R0640: Technical provisions – health (similar to life) – risk margin
  - Row R0680: Technical provisions – life (excluding health and index-linked and unit-linked) – risk margin
  - Row R0720: Technical provisions – Index-linked and unit-linked – risk margin
- The following elements of template S.12.01.02
  - Row R0100: Technical provisions calculated as a sum of BE and RM – Risk margin
  - Rows R0110 to R0130 – Amount of transitional measure on technical provisions
- The following elements of template S.22.01.21
  - Column C0030 – Impact of transitional measure on technical provisions
  - Row R0010 – Technical provisions
  - Row R0090 – Solvency Capital Requirement
- The following elements of template S.23.01.01
  - Row R0580: SCR
  - Row R0740: Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
- The following elements of template S.28.01.01
  - Row R0310: SCR
- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

Phoenix Life Assurance Limited and Standard Life Assurance Limited

The relevant elements of the Group Solvency and Financial Condition Report that are not subject to audit comprise:

- The following elements of template S.02.01.02:
  - Row R0640: Technical provisions – health (similar to life) – risk margin
  - Row R0680: Technical provisions – life (excluding health and index-linked and unit-linked) – risk margin
  - Row R0720: Technical provisions – Index-linked and unit-linked – risk margin
- The following elements of template S.12.01.02
  - Row R0100: Technical provisions calculated as a sum of BE and RM – Risk margin
  - Rows R0110 to R0130 – Amount of transitional measure on technical provisions
- The following elements of template S.23.01.01
  - Row R0580: SCR
  - Row R0740: Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
- The following elements of template S.28.01.01
  - Row R0310: SCR
- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

Standard Life Pension Funds Limited

The relevant elements of the Group Solvency and Financial Condition Report that are not subject to audit comprise :

- The following elements of template S.02.01.02:
  - Row R0640: Technical provisions – health (similar to life) – risk margin
  - Row R0680: Technical provisions – life (excluding health and index-linked and unit-linked) – risk margin
  - Row R0720: Technical provisions – Index-linked and unit-linked – risk margin
- The following elements of template S.12.01.02
  - Row R0100: Technical provisions calculated as a sum of BE and RM – Risk margin
  - Rows R0110 to R0130 – Amount of transitional measure on technical provisions
- The following elements of template S.23.01.01
  - Row R0580: SCR
  - Row R0740: Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
- The following elements of template S.28.01.01
  - Row R0310: SCR
- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

ReAssure Limited

The relevant elements of the Group Solvency and Financial Condition Report that are not subject to audit comprise:

- The following elements of template S.12.01.02
  - Rows R0110 to R0130 – Amount of transitional measure on technical provisions
- The following elements of template S.22.01.21
  - Column C0030 – Impact of transitional measure on technical provisions
- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

ReAssure Life Limited

The relevant elements of the Group Solvency and Financial Condition Report that are not subject to audit comprise:

- The following elements of template S.12.01.02
  - Rows R0110 to R0130 – Amount of transitional measure on technical provisions
- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

Sun Life Assurance Company of Canada (U.K.) Limited
The relevant elements of the Group Solvency and Financial Condition Report that are not subject to audit comprise:

- The following elements of template S.02.01.02:
  - Row R0640: Technical provisions – health (similar to life) – risk margin
  - Row R0680: Technical provisions – life (excluding health and index-linked and unit-linked) – risk margin
  - Row R0720: Technical provisions – Index-linked and unit-linked – risk margin
- The following elements of template S.12.01.02
  - Row R0100: Technical provisions calculated as a sum of BE and RM – Risk margin
  - Rows R0110 to R0130 – Amount of transitional measure on technical provisions
- The following elements of template S.23.01.01
  - Row R0580: SCR
  - Row R0740: Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds
- The following elements of template S.28.01.01
  - Row R0310: SCR
- Elements of the Narrative Dislosures subject to audit identified as 'unaudited'.

PA(GI) Limited
The relevant elements of the Group Solvency and Financial Condition Report that are not subject to audit comprise:

- The following elements of template S.23.01.01
  - Row R0580: SCR
- The following elements of template S.28.01.01
  - Row R0310: SCR
- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

Basis of preparation

Overview

The disclosures in the Group SFCR and the QRTs have been prepared in accordance with all applicable PRA Rules and the UK implementation of the Solvency II regulations, hereafter referred to as 'the regulations'.

Some sections of the SFCR (including parts of sections A and D) require information based on the recognition and measurement principles applicable under the relevant Generally Accepted Accounting Principles ('GAAP') as presented in the financial statements. The basis of preparation for the Phoenix Group consolidated financial statements and financial statements of the insurance subsidiaries is set out below:

- Phoenix Group consolidated financial statements, SLOC and PA(GI) financial statements are prepared in accordance with UK-adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006.
- PLL, PLAL, SLAL, SLPF, RAL and RLL – the financial statements are prepared in accordance with Financial Reporting Standard 102 ('FRS 102'), the Financial Reporting Standard applicable in the UK and Republic of Ireland and in conformity with the requirements of the Companies Act 2006.

Certain information included in the SFCR is sourced from individual financial statements. In the case of PLL, PLAL, SLAL, SLPF, RAL, RLL and PA(GI) the financial statements are draft and have yet to be approved by their respective boards.

Due to the different accounting bases adopted by the Group and its insurance subsidiaries, the Group position is not based on summarising the Life Companies' content.

Scope

The Group SFCR contains information relating to the overall Group and its UK insurance subsidiaries, PLL, PLAL, SLAL, SLPF, RAL, RLL, SLOC and PA(GI). A solo SFCR has been prepared separately for SLIDAC and PLAE, the Group's Irish insurance subsidiaries.

Presentation

The Group SFCR is presented in pound sterling (£) rounded to the nearest million, which is consistent with the presentation in the IFRS consolidated financial statements of PGH. The QRTs included within the Appendices are presented in pound sterling (£) rounded to the nearest thousand. As a consequence, rounding differences of one unit can arise between the main document and the Appendices.

Comparatives are only included in sections A and E, where required by the regulations.

The Group SFCR excludes disclosures required by the regulations which are not applicable to the PGH Group and its insurance subsidiaries, which include, but are not limited to:

- information on non-life business as the Group only has life business;
- information on Solvency II Insurance Special Purpose Vehicles ('SPVs'); and
- information on the transitional measures on risk-free interest rates as none of the insurance subsidiaries in the Group have applied these measures.

In this section

Business and performance

Business and performance

A.1 Business

A.1.1 Group details

Phoenix Group Holdings plc ('PGH') has a Premium Listing on the London Stock Exchange and as at year end 31 December 2023 was a constituent of the FTSE 100 Index. It is incorporated, registered and domiciled in the UK. The Group comprises PGH and all of its subsidiary undertakings.

All of the Group's insurance undertakings are private companies limited by shares incorporated, registered and domiciled in the UK, with the exception of SLIDAC and PLAE which are registered and domiciled in Ireland and PRL which is registered and domiciled in Bermuda.

The UK domiciled insurance subsidiaries are authorised by the Prudential Regulation Authority ('PRA') and regulated by the PRA and Financial Conduct Authority ('FCA'). Some of PGH's non-insurance subsidiaries are also regulated by the FCA. SLIDAC and PLAE are regulated by the Central Bank of Ireland ('CBI') and PRL is regulated by the Bermuda Monetary Authority.

Contact details for the PRA and FCA are provided below:

Bank of England
Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA

Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

The Group and its UK insurance subsidiaries are audited by Ernst & Young LLP ('EY'), with the exception of PLAL, the statutory audit of which is carried out by PKF Littlejohn LLP. The audit of the relevant elements of the Group SFCR, including information relating to PLAL, is carried out solely by EY. The contact details of the external statutory auditors are provided below:

Ernst & Young LLP	PKF Littlejohn LLP
25 Churchill Place	15 Westferry Circus
Canary Wharf	Canary Wharf
London	London
E14 5EY	E14 4HD

A.1.2 Legal structure of the Group

As at 31 December 2023, MS&AD Insurance Group Holdings, Inc. and abrdn plc held a direct qualifying holding representing 10% or more of the capital or voting rights.

As at 31 December 2023	% of total voting rights
MS&AD Insurance Group Holdings, Inc.	14.48%
abrdn plc	10.70%

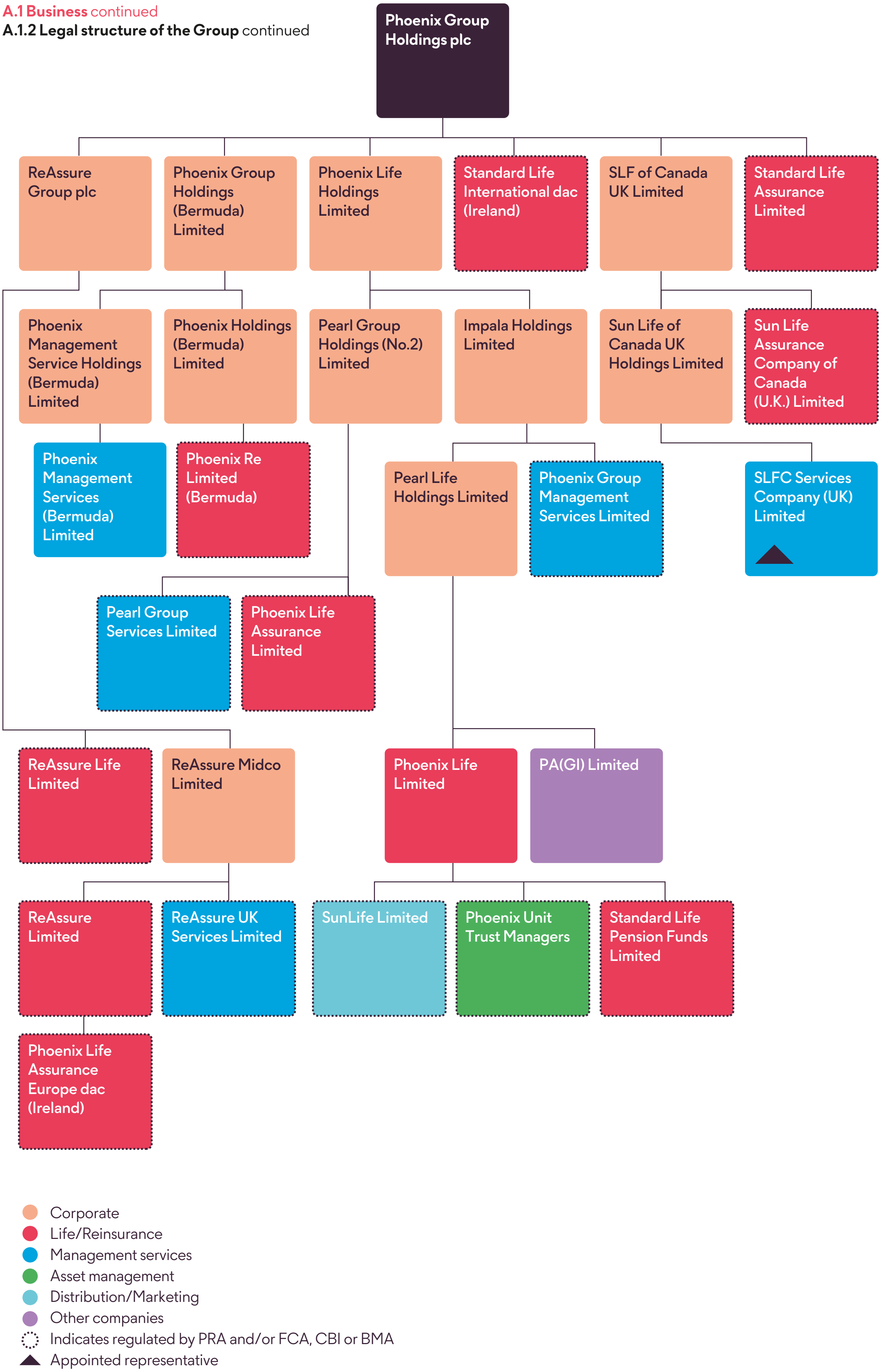
A simplified Group structure chart showing the Group's material undertakings as at 31 December 2023 is provided on page 15. All shareholdings are 100% owned by their parent undertakings. A complete listing of the Group's related undertakings is provided in template S.32.01.22 in Appendix 1.9. All entities shown on the structure chart have been incorporated in the UK unless indicated otherwise.

The entities within the scope of the Group are consistent across IFRS and Solvency II reporting. However, there are differences in consolidation approach between the two bases as described on page 66.

Business and performance continued

A.1 Business continued

A.1.2 Legal structure of the Group continued



A.1 Business continued

A.1.3 Material lines of business

The Group operates three material lines of insurance business ('LoB') based on the characteristics of the underlying products administered and a description of these products is outlined below.

A.1.3.1 Insurance with-profit participation

The insurance with-profit participation LoB comprises conventional with-profit products and unitised with-profit products.

A with-profit or participating policy is one where the policyholder participates in the profits of the fund. The insurer aims to distribute part of its profit to the with-profit policyholders in the form of bonuses. The value of such distributions is based on, among other things, the performance of the underlying pool of assets. Policy pay-outs are generally subject to a minimum guarantee and are 'smoothed' to lessen the impact of changes in the underlying value of the assets in the short-term. With-profit products are primarily either endowments or deferred annuities. Endowments may be single or regular premium policies with minimum guaranteed sums on death or maturity, while deferred annuities are accumulation vehicles for pensions with beneficial tax treatment at retirement age.

All with-profit policies are entitled to potential incremental bonuses throughout the life of the policy as well as a terminal, or final, bonus. The terminal bonus represents the policyholder's final share of the assets of the fund. Any available surplus held in a with-profit fund may only be used to meet the requirements of the fund itself or be distributed in line with defined proportions or mechanisms to the fund's policyholders and the Life Companies' shareholders. For example, the traditional with-profit fund with a 90:10 policyholder/shareholder split, entitles policyholders to a 90% share and its shareholders to a 10% share of the profits in any bonus declared. For certain of the Group's funds, the shareholders are not entitled to any share of such bonuses.

In certain 'supported' with-profit funds, the shareholders provide capital support to the fund. The capital is exposed to all economic movements until the estate is rebuilt to cover the required capital, at which point the fund becomes 'unsupported'.

The majority of these products sit within the Group's With-Profits operating segment. They are no longer actively marketed to new customers.

A.1.3.2 Index-linked and unit-linked insurance

The value of unit-linked products is linked directly to the performance of the underlying assets. The policyholder typically bears all of the investment risk with unit-linked products. The benefits attributable to the policyholder are determined by reference to the investment performance of a specified pool of assets. The policyholder elects which units to purchase within a diversified open-ended fund. Unit-linked funds include personal and group pension plans and feature regular and single premium savings. They operate on a similar basis to mutual funds, with a fee often charged based on the value of the funds.

Customers do not legally own the underlying assets or the units themselves; they own a contract (the policy) with a right to a benefit. The value of that benefit is determined by reference to the price of their chosen fund.

The Group's unit-linked business comprises contracts with and without options and guarantees.

The majority of these products sit within the Group's Pension & Savings and Europe & Other operating segments.

A.1.3.3 Other non-profit life insurance

This LoB includes all remaining underwritten business and comprises of conventional non-profit products, protection policies such as life and disability policies which pay out a lump sum on death or disability, group life, immediate annuities and deferred annuities.

The majority of the business included in this LoB is annuity business. Annuities generally provide a fixed specified income stream over the life of the policyholder. Annuities are mainly written within non-profit funds. For these annuities, the Life Companies are exposed to all investment and demographic risks which are partly managed through reinsurance arrangements and are generally entitled to retain 100% of the incremental investment returns from the assets backing this business. The Group is also an established player in the Bulk Purchase Annuity ('BPA') market, where the Group acquires a block of annuities and delivers the financial stability required to secure pensions previously provided by UK corporates.

Also included in this LoB are the SunLife branded whole of life protection products underwritten by PLL. SunLife offers whole of life cover direct to customers aged 50 and over through an in-house distribution company and through other distribution partners. The main SunLife products are the Guaranteed Over 50 plan which provides a cash lump sum upon death and is typically used to cover funeral costs, and regular premium Funeral Plans, which are whole of life insurance policies that back the financial liability that third party funeral providers incur when they sell funeral packages to individuals.

The majority of these products sit within the Group's Pension & Savings, Retirement Solutions and Europe & Other operating segments.

A.1.4 Material geographical areas

The Group's business is underwritten in the UK, in Ireland (through SLIDAC and PLAE) and in Germany (through the SLIDAC German branch and PLAE, under freedom of services).

A.1.5 Significant business and other events

The following significant events took place during 2023.

A.1.5.1 Cash funded acquisition of Sun Life UK

On 3 April 2023, the Group acquired 100% of the issued share capital of SLF of Canada UK Limited ('Sun Life UK'), from Sun Life Assurance Company of Canada ('SLACC'), part of the Sun Life Financial Inc. Group, for a total cash consideration of £250 million. It is the first acquisition undertaken by the Group financed solely from existing cash resources.

Sun Life UK operates a predominantly outsourced business model with the majority of its policy administration already undertaken by the Group's strategic outsourcing partner (TCS Diligenta), which supports a simplified operational integration programme. The Group is targeting the delivery of c. £125 million of integration synergies, net of costs, from cost efficiencies and capital management actions, representing approximately 50% of the consideration paid.

Sun Life UK operates a life company, SLOC, which is a closed book life insurance business that has a portfolio of pension, life and annuity products. It does not write new business, other than offering increments on current policies to existing customers on a passive basis.

A.1.5.2 Continued progress on integrations and migrations

On 27 October 2023, the Group completed the funds merger of PLAL, SLAL and SLPF into PLL. This is one of the largest UK insurance Part VII transfers ever completed, bringing together the businesses of four legal entities, comprising c. 8 million policies and c. £200 billion assets based on 31 December 2022 values.

During the year the Group successfully completed the migration of a further c. 700,000 Phoenix Life customers from Capita to TCS Diligenta's BaNCS platform.

In addition, £12.3 billion of Phoenix Wealth Funds (c. 700 funds) were successfully migrated from the Group's Investment Operations centre to HSBC Security Services. This represented a significant milestone towards the harmonisation of the Group's internal oversight model whilst ensuring the accurate and timely delivery of unit pricing, a key component in the end-to-end servicing of the Group's Pensions & Savings unit-linked products.

A.1 Business continued

A.1.5 Significant business and other events continued

A.1.5.3 New business growth in 2023

The Group continued to deliver incremental new business long-term cash generation ('LTCG') of £1,514 million in 2023 (2022: £1,233 million). This strong performance means the Group has, once again, more than offset the run-off of the in-force business and demonstrates that Phoenix is a growing, sustainable business.

The Group is now firmly established as a key player in the Bulk Purchase Annuity ('BPA') market, generating £6.2 billion (2022: £4.8 billion) of BPA premiums. This business provided the largest contribution to 2023 new business LTCG with £1,066 million written. This was broadly similar to the prior year but was achieved with 15% less capital invested and reflects progress in optimising our capital efficiency in BPA.

A strong contribution was also made from the Group's Pensions and Savings business, comprising Workplace and Retail businesses, both of which are capital-light fee-based businesses that the Group is looking to grow over time. As part of the Group's growth ambitions, the Standard Life Pension Annuity was successfully launched in September to the open market in the UK, for which initial feedback has been positive.

A.2 Underwriting performance

A.2.1 Adjusted operating profit PGH Group

Adjusted operating profit, a non-GAAP measure, is used as a performance measure of the underwriting activities of the Group and is one of a range of financial metrics used to manage the business. Adjusted operating profit is considered an appropriate measure of the underwriting performance of the Group's business as it excludes the impact of short-term economic volatility and other one-off items. Adjusted operating profit is only used as a performance metric for the Group and the assessment of the underwriting performance of the insurance subsidiaries is based on premiums, claims and expenses as set out in section A.2.2.

The Group's adjusted operating profit methodology has been updated since it was disclosed in the 2022 Solvency and Financial Condition Report following the transition to IFRS 17 *Insurance Contracts*.

The following sets out the Group's adjusted operating profit methodology:

For unit-linked business accounted for under IFRS 9, adjusted operating profit reflects the fees collected from customers less operating expenses including overheads.

For unit-linked and with-profit business accounted for under IFRS 17, adjusted operating profit reflects the release of the risk adjustment, amortisation of CSM, and demographic experience variances in the period.

For shareholder annuity, other non-profit business and with-profit funds receiving shareholder support accounted for under IFRS 17, adjusted operating profit includes the release of the risk adjustment, amortisation of CSM, and demographic experience variances in the period.

Adjusted operating profit also incorporates an expected return on the financial investments backing this business and any surplus assets, with allowance for the corresponding movement in liabilities.

Adjusted operating profit excludes the above items for non-profit business written in a with-profit fund where these amounts do not accrue directly to the shareholder.

Adjusted operating profit includes the effect of experience variances relating to the current period for non-economic items, such as mortality and expenses. It also incorporates the impacts of asset trading and portfolio rebalancing where not reflected in the discount rate used in calculating expected return.

Adjusted operating profit is reported net of policyholder finance charges and policyholder tax.

Adjusted operating profit excludes the impacts of economic variances and other items that are not regarded as typical of the underlying performance of the operating companies.

Further details on adjusted operating profit are set out in note B1 'Segmental Analysis' to the Group's consolidated financial statements for the year ended 31 December 2023.

The information below is presented on an adjusted operating profit basis and reconciles to the IFRS loss before tax attributable to owners of the parent. Analysis of the items excluded from adjusted operating profit has been provided in sections A.3.1 Investment return variances and economic assumption changes and A.4.1 Other material income and expenses. The Group's business is primarily written in the UK.

	Section reference	2023 £m	2022 Restated[1] £m
Retirement Solutions		378	349
Pensions & Savings		190	150
With-Profits		10	54
Europe & Other		132	60
Corporate Centre		(93)	(69)
Operating profit		617	544
Total investment return variances and economic assumption changes	A.3.1	147	(3,309)
Other income and expenses	A.4.1	(956)	(814)
IFRS loss before tax attributable to owners of the parent		(192)	(3,579)

1 Prior period comparatives have been restated on transition to IFRS 17 Insurance Contracts.

A.2 Underwriting performance continued

A.2.1 Adjusted operating profit PGH Group continued

The Group's adjusted operating profit before tax increased 13% year on year to £617 million, driven by strong growth in the Pensions & Savings segment, which is up 27% year on year to £190 million. This was largely driven by higher AUA resulting in increased charges, and an improved margin through operating leverage.

The Group's Retirement Solutions segment delivered an adjusted operating profit of £378 million (2022: £349 million). The 8% increase year on year primarily reflects a higher expected investment margin as a result of higher risk-free rates. The positive impact of BPA new business on CSM amortisation has offset the run-off of the remaining annuity book despite the phasing of a significant proportion of new business in late 2023.

With-Profits adjusted operating profit declined to £10 million (2022: £54 million) principally as a result of the run-off of this business and the adverse impacts of modelling refinements in the period.

Europe & Other adjusted operating profit increased to £132 million (2022: £60 million). This segment includes the expected investment margin from surplus assets within the shareholder funds, which has increased due to the significant increases in interest rates over 2022. This has been partially offset by a reduction in CSM amortisation following the strengthening of the mortality assumptions on the Group's protection business.

The Group's Corporate Centre includes net operating costs in the period of £93 million (2022: £69 million), which increased due to investment in central functions to support the Group's growth ambitions in the first phase of its journey, partially offset by increased interest income on cash held by the holding companies.

A.2.2 Underwriting performance of the insurance subsidiaries

As explained in the summary the life companies, excluding SLOC, apply UK GAAP for financial statement reporting purposes and do not include underwriting result nor operating profit as a caption within the financial statements.

In this section, we have included premiums, claims and expenses of the Life Companies which provide an indicator of size and growth of the business. A key focus for the Life Companies is Solvency II which is both a measure of policyholder security and a driver of the potential for the Life Companies to release capital to the Group. As such the analysis of movement in own funds and regulatory surplus shown in section E.1 provides a good indicator of the performance of the business.

Gross premiums written comprises all amounts due during the reporting period in respect of insurance contracts, arising from gross business, regardless of the fact that such amounts may relate in whole or in part to a later reporting period. It includes both direct and reinsurance business.

Reinsurers' share Gross premiums written shall comprise all amounts ceded to reinsurers due during the reporting period in respect of insurance contracts regardless of the fact that such amounts may relate in whole or in part to a later reporting period.

Premiums written — Net: The net premiums written represent the sum of the direct business and the accepted reinsurance business reduced by the amount ceded to reinsurance undertakings.

Premiums earned — Gross: The sum of gross premiums written minus the change in the gross provision for unearned premiums related to direct insurance and reinsurance accepted business.

Premiums earned — Reinsurers' share: The reinsurer's share in gross premiums written minus the change in the reinsurer's share in provision for unearned premiums.

Premiums earned — Net: The sum of gross premiums written minus the change in the gross provision for unearned premiums related to the sum of the direct business and the accepted reinsurance business reduced by the amount ceded to reinsurance undertakings.

Claims incurred — Gross Claims incurred in the reporting period: The claims incurred means the sum of the claims paid and the change in the provision for claims during the reporting period (according to the local GAAP or IFRS used), related to insurance contracts arising from the direct and reinsurance business. This excludes claims management expenses and the movement in provisions in claims management expenses.

Claims incurred — Reinsurers' share Claims incurred in the reporting period: it is the reinsurer's share in the sum of the claims paid and the change in the provision for claims during the reporting period. This excludes claims management expenses and the movement in provisions in claims management expenses.

Claims incurred — Net Claims incurred in the reporting period: the claims incurred means the sum of the claims paid and the change in the provision for claims during the reporting period (according to the local GAAP or IFRS used), related to the sum of the direct business and the accepted reinsurance business reduced by the amount ceded to reinsurance undertakings. This excludes claims management expenses and the movement in provisions in claims management expenses.

Expenses incurred — All technical expenses incurred by the undertaking during the reporting period, on an accruals basis. Other material income and expenses as per section A.4 are included within the expenses line set out below. Expenses includes investment management expenses, claims management expenses and overhead expenses on an aggregated basis.

A.2 Underwriting performance continued

A.2.2 Underwriting performance of the insurance subsidiaries continued

Year ended 31 December 2023	PLL £m	PLAL £m	SLAL £m	RAL £m	RLL £m	SLOC £m
Premiums written						
Gross	12,335	112	6,896	747	171	51
Reinsurers' share	(2,672)	(5)	(18)	(566)	(115)	(6)
Net	9,663	107	6,878	181	56	45
Premiums earned						
Gross	12,335	112	6,896	747	171	51
Reinsurers' share	(2,672)	(5)	(18)	(566)	(115)	(6)
Net	9,663	107	6,878	181	56	45
Claims incurred						
Gross	(8,181)	(764)	(9,481)	(5,013)	(752)	(776)
Reinsurers' share	1,916	166	295	595	63	156
Net	(6,265)	(598)	(9,186)	(4,418)	(689)	(620)
Expenses incurred	(880)	(67)	(462)	(231)	(28)	(39)
Underwriting result	2,518	(558)	(2,770)	(4,468)	(661)	(614)

Year ended 31 December 2022	PLL £m	PLAL £m	SLAL £m	RAL £m	RLL £m	SLOC £m
Premiums written						
Gross	6,878	171	8,309	720	148	56
Reinsurers' share	(2,489)	(8)	(20)	(273)	(96)	(11)
Net	4,389	163	8,289	447	52	45
Premiums earned						
Gross	6,878	171	8,309	720	148	56
Reinsurers' share	(2,489)	(8)	(20)	(273)	(96)	(11)
Net	4,389	163	8,289	447	52	45
Claims incurred						
Gross	(4,888)	(999)	(12,019)	(4,956)	(759)	(662)
Reinsurers' share	1,748	211	417	331	43	165
Net	(3,140)	(788)	(11,602)	(4,625)	(716)	(497)
Expenses incurred	(645)	(85)	(608)	(182)	(17)	(68)
Other expenses	–	–	–	(47)	(9)	–
Underwriting result	604	(710)	(3,921)	(4,407)	(690)	(520)

A.2.2.1 Underwriting performance – PLL, PLAL and SLAL

As explained in the Executive Summary, a funds transfer was completed during the year and this had the effect of transferring policies from PLAL, SLAL and SLPF to PLL. The funds merger completed on 27 October but with an effective date of 30 September. For this reason, the PLL underwriting performance includes three months of transactions in respect of the business transferred in from PLAL, SLAL and SLPF. The PLAL and SLAL underwriting performance includes nine months of transactions whereas the comparative figures include twelve months of transactions.

The combined gross premiums for the three companies in 2023 was c. £19 billion, compared to c. £15 billion in the prior year. The increase was driven by higher Bulk Purchase Annuity premiums and an increase in Workplace scheme wins, including the transfer of the Siemens workplace scheme, one of the largest scheme transfers to have been tendered in the UK market in recent years.

The combined gross claims incurred of c. £18 billion was broadly in line with the c. £18 billion incurred in the prior year.

The combined expenses incurred of c. £1.4 billion was broadly in line with the c. £1.3 billion incurred in the prior year.

The underwriting result for 2023 represents UK business only following the transfer of non-UK policies to PLAE effective from 1 January 2023, whereas comparative figures include twelve months of transactions for non-UK policies.

A.2.2.2 Underwriting performance – RAL

The majority of premiums, claims and expenses are on unit-linked business. Other life assurance premiums, and claims arise from the annuity portfolio and non-linked life and pensions business.

Gross premiums show a small increase reflecting in part higher inward reinsurance premiums from RLL, which is fully reinsured by RAL. The increase in claims in the year reflects the impact of improved market conditions on unit fund values in 2023, with a fall in interest rates and positive performance of equity markets. These have offset the impact of policy run off over the period.

Increases in reinsurance premiums and claims reflect the impact of a new annuity longevity reinsurance treaty taken out during the year.

A.2 Underwriting performance continued

A.2.2 Underwriting performance of the insurance subsidiaries continued

A.2.2.3 Underwriting performance – RLL

The underwriting result for 2023 represents UK business only following the transfer of non-UK policies to PLAE effective from 1 January 2023, whereas comparative figures include twelve months of transactions for non-UK policies. The company reinsures the majority of its business with RAL, a fellow group company.

A.2.2.4 Underwriting performance – SLOC

The majority of premiums, claims and expenses are on unit-linked business. 'Other life insurance' premiums, claims and expenses are in relation to the annuity portfolio and non-linked life and pensions business.

Claims are higher than the prior year. This is mainly from unit-linked contracts and reflects the impact of improved market conditions on unit fund values in 2023, with a fall in interest rates and positive performance of equity markets.

2023 expenses include £(19) million from a refund of premium in respect of an Expense Indemnity Agreement with SLACC, which was recaptured as part of the acquisition of SLOC by PGH.

A.3 Investment performance

A.3.1 Analysis of investment return variances and economic assumption changes

The investment performance measure used by the Group is investment return variances and economic assumption changes. These represent the impact of short-term volatility recognised outside of adjusted operating profit in the Group's IFRS result. Further details of the methodology applied are set out in note B1 'Segmental Analysis' to the Group's consolidated financial statements for the year ended 31 December 2023.

	2023 £m	2022 restated £m
Total investment return variances and economic assumption changes	147	(3,309)

1 Prior period comparatives have been restated on transition to IFRS 17 Insurance Contracts.

The net favourable economic variances of £147 million (2022: adverse £3,309 million) have primarily arisen as a result of a more stable market environment compared with the significant volatility experienced during 2022, including the uncertainty which followed the UK mini-budget in 2022. The impact of positive changes to discount rates, primarily on annuities and including the impact of methodology refinements more than offsets the losses arising from the impact of positive equity market movements on the hedges the Group holds to protect the Solvency II position.

A.3.2 Investment income and expenses

The tables below present an analysis of the actual net investment return by asset class for the Group and each UK insurance subsidiary. Expenses are shown in total as they all relate to investment management fees.

The reported investment return includes investment returns for the benefit of both policyholders and shareholders.

A.3.2.1 Investment income and expenses – Group

	Income 2023 £m	Gains/(losses) 2023 £m	Total 2023 £m	Income 2022 £m	Losses 2022 £m	Total 2022 £m
Investment income by asset category:						
Debt securities	2,005	1,763	3,768	1,859	(16,397)	(14,538)
Equities	785	1,947	2,732	712	(2,445)	(1,733)
Derivatives	9	(470)	(461)	4	(5,765)	(5,761)
Collective investment schemes including participations	3,763	10,194	13,957	3,239	(17,749)	(14,510)
Investment property	312	(311)	1	325	(1,289)	(964)
Other[1]	359	156	515	108	(678)	(570)
Investment return	7,233	13,279	20,512	6,247	(44,323)	(38,076)
Investment expenses			(287)			(393)
Net investment return after deduction of investment expenses			20,225			(38,469)

1 Other comprises of cash and deposits, loans and receivables and other assets.

The net favourable investment return of £20,225 million (2022: £(38,469) million adverse) for the Group reported above differs from the net investment income reported in the Group consolidated financial statements for the year ended 31 December 2023 of £20,840 million (2022: £(38,012) million (restated)) as the amount disclosed above excludes the investment return attributable to minority interests in the consolidated investment funds.

The increase in net investment return observed in the current year is primarily driven by more stable interest rates and rising global equity markets in 2023 compared to the significant increase in interest rates and declining equity and property markets in 2022.

Investment gains and losses are recognised in the income statement with the exception of the effective portion of gains and losses arising on cash flow hedges, which are recognised directly in equity.

A.3 Investment performance continued

A.3.2 Investment income and expenses continued

A.3.2.2 Investment income and expenses – PLL

	Income 2023 £m	Gains/(losses) 2023 £m	Total 2023 £m	Income 2022 £m	Losses 2022 £m	Total 2022 £m
Investment income by asset category:						
Debt securities	686	1,806	2,492	442	(4,873)	(4,431)
Equities	43	145	188	13	(116)	(103)
Derivatives	–	610	610	–	(2,061)	(2,061)
Collective investment schemes including participations	1,202	6,527	7,729	658	(3,097)	(2,439)
Investment property	72	(166)	(94)	20	(27)	(7)
Other[1]	260	141	401	125	(1,583)	(1,458)
Investment return	2,263	9,063	11,326	1,258	(11,757)	(10,499)
Investment expenses			(146)			(230)
Net investment return after deduction of investment expenses			11,180			(10,729)

1 Other comprises of cash and deposits, loans and receivables and other assets.

The favourable investment return of £11,180 million (2022: £(10,729) million adverse) includes investment returns attributable to policyholders and shareholders. The increase in net investment return compared to the prior year is driven by normalisation of inflation levels and expectations around the level of future base rate in the second half of the year after significant rises in inflation and base rate in 2022 and beginning of 2023.

Due to the funds merger that took place during the year, investment return for 2023 is not directly comparable with the prior year, since it includes three months' investment return on the assets transferred in from PLAL, SLAL and SLPF.

A.3.2.3 Investment income and expenses – PLAL

	Income 2023 £m	(Losses)/gains 2023 £m	Total 2023 £m	Income 2022 £m	(Losses)/gains 2022 £m	Total 2022 £m
Investment income by asset category:						
Debt securities	59	(134)	(75)	83	(924)	(841)
Equities	6	30	36	8	(10)	(2)
Derivatives	–	(225)	(225)	–	(1,130)	(1,130)
Collective investment schemes including participations	119	61	180	118	(468)	(350)
Investment property	–	1	1	–	2	2
Other[1]	46	3	49	20	(82)	(62)
Investment return	230	(264)	(34)	229	(2,612)	(2,383)
Investment expenses			(10)			(15)
Net investment return after deduction of investment expenses			(44)			(2,398)

1 Other comprises of cash and deposits, loans and receivables and other assets.

The net adverse investment return of £(44) million (2022: £(2,398) million) includes investment returns attributable to policyholders and shareholders. The increase in net investment return compared to the prior year is driven by normalisation of inflation levels and expectations around the level of future base rate in the second half of the year after significant rises in inflation and base rate in 2022 and beginning of 2023.

Due to the transfer of the PLAL's assets to PLL during the year, investment return for 2023 is not directly comparable with the prior year since it includes investment return for nine months compared with twelve months in the prior year.

A.3 Investment performance continued

A.3.2 Investment income and expenses continued

A.3.2.4 Investment income and expenses – SLAL

	Income 2023 £m	(Losses)/gains 2023 £m	Total 2023 £m	Income 2022 £m	Losses 2022 £m	Total 2022 £m
Investment income by asset category:						
Debt securities	346	(481)	(135)	459	(4,571)	(4,112)
Equities	70	(148)	(78)	37	(462)	(425)
Derivatives	–	(774)	(774)	7	(1,655)	(1,648)
Collective investment schemes including participations	1,890	1,770	3,660	2,059	(10,810)	(8,751)
Investment property	149	(99)	50	219	(1,015)	(796)
Other[1]	85	19	104	103	(112)	(9)
Investment return	2,540	287	2,827	2,884	(18,625)	(15,741)
Investment expenses			(12)			(48)
Net investment return after deduction of investment expenses			2,815			(15,789)

1 Other comprises of cash and deposits, loans and receivables and other assets.

The net favourable investment return of £2,815 million (2022: £(15,789) million adverse) includes investment returns attributable to policyholders and shareholders. The increase in net investment return compared to the prior year is driven by normalisation of inflation levels and expectations around the level of future base rate in the second half of the year after significant rises in inflation and base rate in 2022 and beginning of 2023.

Due to the transfer of the SLAL's assets to PLL during the year, investment return for 2023 is not directly comparable with the prior year, since it includes investment return for nine months compared with twelve months in the prior year.

A.3.2.5 Investment income and expenses – SLPF

There was a small element (less than £1 million) (2022: less than £1 million) of investment income arising from SLPF's investment in collective investment schemes.

A.3.2.6 Investment income and expenses – RAL

	Income 2023 £m	Gains/(losses) 2023 £m	Total 2023 £m	Income 2022 £m	(Losses)/gains 2022 £m	Total 2022 £m
Investment income by asset category:						
Debt securities	594	447	1,041	632	(4,553)	(3,921)
Equities	592	1,420	2,012	625	(1,119)	(494)
Derivatives	–	31	31	(3)	(1,070)	(1,073)
Collective investment schemes including participations	318	642	960	284	(1,507)	(1,223)
Investment property	77	(48)	29	79	(249)	(170)
Other[1]	162	55	217	16	71	87
Investment return	1,743	2,547	4,290	1,633	(8,427)	(6,794)
Investment expenses			(70)			(77)
Net investment return after deduction of investment expenses			4,220			(6,871)

1 Other comprises of cash and deposits, loans and receivables and other assets.

The net investment return of £4,220 million (2022: £(6,871) million) includes investment gains attributable to policyholders and shareholders. The increase in net investment return compared to the prior year is driven by normalisation of inflation levels and expectations around the level of future base rate in the second half of the year after significant rises in inflation and base rate in 2022 and beginning of 2023. In RAL these increases have been across the asset categories notably Debt securities, Equities and Collective investments. This investment return arises predominantly on unit-linked and with-profits products.

A.3 Investment performance continued

A.3.2 Investment income and expenses continued

A.3.2.7 Investment income and expenses – RLL

	Income 2023 £m	Gains/(losses) 2023 £m	Total 2023 £m	Income 2022 £m	Losses 2022 £m	Total 2022 £m
Investment income by asset category:						
Debt securities	–	–	–	4	(50)	(46)
Collective investment schemes including participations	126	383	509	118	(754)	(636)
Other[1]	24	(4)	20	5	–	5
Investment return	150	379	529	127	(804)	(677)
Investment expenses			(1)			(1)
Net investment return after deduction of investment expenses			528			(678)

1 Other comprises of cash and deposits, loans and receivables and other assets.

The net investment return of £528 million (2022: £(678) million) includes investment gains attributable to policyholders and shareholders. The increase in net investment return compared to the prior year is driven by normalisation of inflation levels and expectations around the level of future base rate in the second half of the year after significant rises in inflation and base rate in 2022 and beginning of 2023. In RLL this primarily impacts Collective investment schemes where the RLL investments are concentrated. This return arises predominantly on unit-linked products.

A.3.2.8 Investment income and expenses – SLOC

	Income 2023 £m	Gains/(losses) 2023 £m	Total 2023 £m	Income 2022 £m	Losses 2022 £m	Total 2022 £m
Investment income by asset category:						
Debt securities	105	80	185	104	(761)	(657)
Equities	84	35	119	104	(176)	(72)
Derivatives	10	(2)	8	3	(213)	(210)
Collective investment schemes including participations	43	179	222	34	(323)	(289)
Investment property	13	(31)	(18)	14	(16)	(2)
Other[1]	2	–	2	3	–	3
Investment return	257	261	518	262	(1,489)	(1,227)
Investment expenses			(18)			(18)
Net investment return after deduction of investment expenses			500			(1,245)

1 Other comprises of cash and deposits, loans and receivables and other assets.

Gains on debt securities in 2023 reflect the slight reduction in interest rates over the year following the significant losses that arose from increasing rates in 2022.

Equities and collective investment schemes are mainly held by unit-linked contracts, and the gains in 2023 reflect a strengthening of equity markets following the losses experienced in 2022.

A.3.2.9 Investment income and expenses – PA(GI)

PA(GI) recognised investment income of £13 million (2022: less than £1 million), the increase in comparison with 2022 being driven by interest accrued on receivables due from third parties arising from insurance claims. Other investment income, less than £1 million, arises from PA(GI)'s investment in collective investment schemes.

A.3.3 Information on securitisation

The Group has limited direct investments in external securitisation vehicles within its non-profit funds (excluding unit-linked funds) of £130 million as at 31 December 2023 (2022: £228 million). The total net investment return on these investments is £(11) million (2022: £17 million). A breakdown is provided in the table below.

The Group carries out internal securitisations of equity release mortgage ('ERM') loans to facilitate inclusion in Matching Adjustment portfolios. The securitised loan notes are issued by non-regulated undertakings within the Group to PLL and, prior to the Part VII transfer on 27 October 2023, to PLAL. The elimination of these loan notes on consolidation has been reflected in Group adjustments in the table below. Further detail on the valuation of ERMs can be found in section D.4.

SLPF, RLL, and PA(GI) have no investments in securitisations.

	PLL		PLAL		SLAL		RAL		SLOC		Group adjustments		PGH Group	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Investments in securitisation	4,462	3,611	–	269	–	132	17	37	2	–	(4,351)	(3,821)	130	228
Investment return	196	(1,052)	10	(82)	20	(16)	–	–	–	–	(237)	1,167	(11)	17

A.3 Investment performance continued

A.3.3 Information on securitisation continued

Any indirect exposures via investments held within collective investment schemes fall within the unit-linked and with-profit funds where such investments are held primarily for the benefit of policyholders and are not deemed significant to the Group.

The main risks that the securitised assets are exposed to are market and credit risk. The risk management procedures in respect of these risks are set out in section B.3.1.

A.4 Performance of other activities

Other income and expense items largely include amortisation and impairments of intangible assets (net of policyholder tax), finance costs attributable to owners and other non-operating items.

Other non-operating items include items such as gains or losses on the acquisition or disposal of subsidiaries (net of related costs), significant one-off projects costs and any other items which, in the Directors' view, should be disclosed separately by virtue of their nature or incidence to enable a full understanding of the company's financial performance. This is typically the case where the nature of the item is not reflective of the underlying performance of the operating companies. Full details of items excluded from adjusted operating profit are provided in the note B1 'Segmental Analysis' to the Group's consolidated financial statements for the year ended 31 December 2023.

A.4.1 Other material income and expenses

The tables below provide a breakdown of other material income and expense items.

A.4.1.1 Other income and expenses – Group

	2023 £m	2022 restated[1] £m
Other income and expense items:		
Amortisation and impairment of acquired-in-force business and other intangibles	**(322)**	(353)
Other non-operating items	**(439)**	(262)
Finance costs attributable to owners	**(195)**	(199)
Total other income and expenses	**(956)**	(814)

1 Prior period comparatives have been restated on transition to IFRS 17 Insurance Contracts.

The previously acquired in-force business (AVIF) is being amortised in line with the expected run-off profile of the profits to which it relates. The decrease in amortisation and impairment of acquired in-force business and other intangibles of £(322) million (2022 (restated): £(353) million) mainly reflects run-off. Further information is provided in note G2 'Intangible assets' to the Group's consolidated financial statements for the year ended 31 December 2023.

Other non-operating items of £(439) million include:

- a gain on acquisition of £66 million reflecting the excess of the fair value of the net assets acquired over the consideration paid for the acquisition of Sun Life UK;
- £(169) million of costs associated with strategic growth initiatives, including investment in digital and direct asset sourcing capabilities, establishment of the Group's Bermudan reinsurance operations, and transformation of the Group's operating model to support efficient growth;
- £(79) million of costs associated with the delivery of the Group Target Operating Model for IT and Operations, including the migration of policyholder administration onto the Tata Consultancy Services ('TCS') platform. Under IFRS 17, the expected costs in respect of this activity that are directly attributable to insurance contracts have been included within insurance contract liabilities in the Group consolidated IFRS financial statements;
- Costs of £(65) million associated with the implementation of IFRS 17;
- Costs of £(52) million associated with finance transformation activities, including the migration to cloud-based systems; and enhancements to actuarial modelling capabilities and the related control environment;
- Costs of £(49) million associated with the consolidation by Part VII transfer of four of the Group's Life Companies into a single entity, completed in the second half of 2023;
- A £(36) million adverse impact from the strengthening of actuarial reserves associated with the Part VII transfer of certain European business from the Group's UK Life Companies to PLAE, the newly established European subsidiary;
- £(32) million of costs associated with ongoing integration programmes;
- £(12) million of past service costs in relation to a Group pension scheme; and
- Corporate project costs and net other one of items totalling a cost of £(11) million.

Other non-operating items of £(262) million in the prior year, which have been restated following the implementation of IFRS 17, include:

- £(73) million of costs associated with a strategic initiative to enhance capabilities to support the move towards the Group's strategic asset allocation alongside growth delivered through bulk purchase annuity transactions, investment in digital capability and transformation of operating model to support efficient growth;
- £(47) million related to the increase in expected costs associated with the delivery of the Group Target Operating Model for IT and Operations, following a strategic decision to re-phase the programme, together with the costs of migrating policyholder administration onto the TCS platform for certain legacy portfolios of business;
- Costs of £(15) million associated with the implementation of IFRS 17;
- Costs of £(31) million associated with the ongoing ReAssure integration programme;
- £(15) million of past service costs in relation to a Group pension scheme;
- £(14) million related to a support package to help colleagues navigate cost of living challenges, which included giving all colleagues, except the most senior staff, a one-off net of tax payment of £1,000 in August 2022;
- £(12) million costs associated with the acquisition of Sun Life UK; and
- Corporate project costs and net other one-off items totalling a cost of £(55) million.

Finance costs attributable to owners of £(195) million (2022: £(199) million) reflects the interest paid on the Group debt instruments.

A.4 Performance of other activities continued

A.4.1 Other material income and expenses continued

A.4.1.2 Other income and expenses – PLL, PLAL, SLAL, SLPF, RAL, RLL and SLOC

Year ended 31 December 2023	PLL £m	PLAL £m	SLAL £m	RAL £m	RLL £m	SLOC £m
Other income and expense items:						
Fee income from investment contracts	230	-	325	259	39	28
Amortisation of deferred income	4	–	–	-	3	–
Miscellaneous other income	–	–	–	–	–	2
Total other income and expenses	234	-	325	259	42	30

Year ended 31 December 2022 restated[1]	PLL £m	PLAL £m	SLAL £m	RAL £m	RLL £m	SLOC £m
Other income and expense items:						
Fee income from investment contracts	128	23	359	222	35	28
Amortisation of deferred income	–	–	6	-	4	1
Total other income and expenses	128	23	365	222	39	29

1 Prior period comparatives have been restated on transition to IFRS 17 Insurance Contracts.

As well as underwriting performance and investment performance, the insurance subsidiaries' other material income includes fees from investment contracts and other income. The table above sets out the amounts for the year ended 31 December 2023 and 31 December 2022. For the same reasons as explained in A.3 in relation to the Part VII the amounts for 2023 are not comparable with 2022 at an entity level for all. Overall levels of fee income have increased – the cause of this is higher levels of AUA driven by improved economic conditions as detailed and illustrated further within section A.3 Investment Performance.

Material expenses include finance costs and other administration expenses. These items are reported within the expenses line in QRT S.05.01.02 in the appendix.

SLPF has no material items of other income or expenses.

A.4.1.3 Other income and expenses – PA(GI)

Other non-operating income of £15 million (2022: £nil) reflects the net movement on balances related to redress exposures arising from creditor insurance policies underwritten by the company prior to 2006.

A.4.2 Leasing arrangements

The Group and the Life Companies are lessors in relation to their investment property portfolios. The related rental income has been reflected as income on investment properties in the analyses of investment income and expenses in section A.3.2.

As lessee, the Group primarily leases office buildings and other premises. These arrangements are not material to the financial position of the Group.

A.5 Any other information

A.5.1 Events after the reporting period

On 19 January 2024, the Group completed a buy-out transaction with the PGL Pension Scheme, one of the Group's defined benefit schemes. The impact of this transaction is being determined and will be included in the Group's results for 2024.

On 6 February 2024, the Board approved the redemption of the £250 million 5.766% Fixed Rate Reset Callable Tier 2 Subordinated Notes due 2029 on the first call date of 13 June 2024 (subject to regulatory approval).

In this section

System of governance

System of governance

B.1 General Information on the system of governance

This section provides information on the system of governance in place for the Group, PLL, PLAL, SLAL, SLPF, RAL, RLL, PA(GI) and SLOC.

As described in A.1.5.2 the Group completed the funds merger of PLAL, SLAL and SLPF into PLL on 27 October 2023. PLAL, SLAL and SLPF remain regulated entities for a residual period and subject to the existing governance framework and are therefore included within scope of the system of governance.

Further details of the system of governance for SLPF and PA(GI) are included within sections B.1.7 and B.1.8 respectively. Any material changes that have taken place over the reporting period are also included. Details of the structure of the Boards are provided, with a description of their main roles and responsibilities and those of the relevant committees, as well as a description of the main accountabilities and responsibilities of all key functions.

The system of governance in place for SLIDAC and PLAE can be found in section B.1 of their solo SFCR for the year ended 31 December 2023.

B.1.1 System of governance

The objective of the Group's governance framework is to ensure that management is empowered to run the business on a day-to-day basis in accordance with the delegated authority received from the respective boards, whilst ensuring that Directors are able to discharge their statutory and regulatory responsibilities, and that the boards have appropriate oversight and supervision of the Group's business.

Accordingly, there is a clear organisational structure, with documented delegated authorities and responsibilities, from the PGH Board to the insurance subsidiary boards, members of the Executive Committee ('ExCo') and senior management.

There is a uniform model across the Group which sets formalised responsibilities and matters reserved for boards within the Group's governance framework. Boards have the power to manage respective subsidiary companies in accordance with applicable legislation (including Companies Act 2006 and Financial Services and Markets Act 2000), regulations (including the Listing, Prospectus and Disclosure Transparency Rules and the regulations of the FCA and the PRA), constitution (Memorandum and Articles of Association), and, where relevant, governance code (for example, the UK Corporate Governance Code or the Wates Principles). This also involves referral of certain matters to shareholders for approval. The PGH and Life Company (insurance subsidiary) Boards set formal 'Matters Reserved' which are schedules of items which must go to those boards for approval. This operates as an escalation route to ensure that relevant matters are referred up through the appropriate board structures. The boards, where relevant, may then delegate powers to board committees through the respective terms of reference. For day to day business matters, the boards delegate powers to the Chief Executive and or Executive Directors and onto management as required through delegations of authority.

Management oversight committees support management in making decisions under the delegations of authority and may also be used to review proposals/management reporting before being presented to boards where appropriate. Following changes made to the structure of management committees in 2022, further changes were made during the year to enhance oversight and support to those with decision making responsibilities. Further information on this can be found in section B.1.3.

A system of Solvency II key functions (Actuarial, Internal Audit, Risk and Compliance) operates within the Group, reporting to both management oversight committees and board committees where relevant. A representative from the Risk and Compliance function is a member of the ExCo. In addition, the Head of the Internal Audit function attends the Group ExCo and reports directly to the Board Audit Committees. There are also a number of other key functions in the Group including Group Finance, Human Resources ('HR'), Corporate Affairs and Investor Relations, Asset Management, Operations and General Counsel.

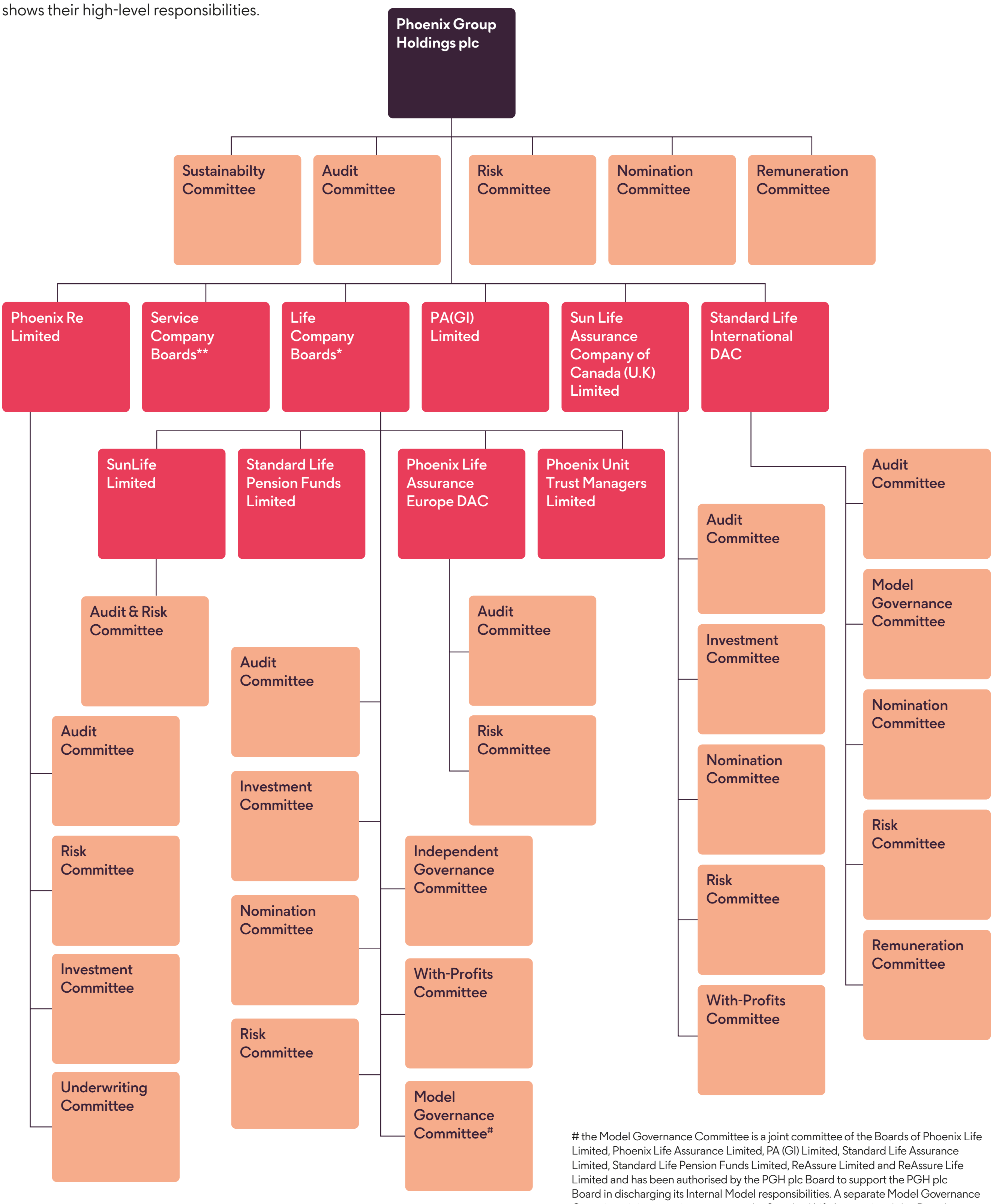
Further information on our executive management can be found on the Group's website (https://www.thephoenixgroup.com/about-us/leadership?tab=executive-management-team) and further details are also available in the PGH Annual Report and Accounts for the year ended 31 December 2023.

System of governance continued

B.1 General Information on the system of governance continued

B.1.2 Board and committee structure

The chart below shows the operating Boards and Board Committee structure within the Group as at 31 December 2023. The second chart shows their high-level responsibilities.



the Model Governance Committee is a joint committee of the Boards of Phoenix Life Limited, Phoenix Life Assurance Limited, PA (GI) Limited, Standard Life Assurance Limited, Standard Life Pension Funds Limited, ReAssure Limited and ReAssure Life Limited and has been authorised by the PGH plc Board to support the PGH plc Board in discharging its Internal Model responsibilities. A separate Model Governance Committee is in operation to support the Standard Life International dac Board.

*covers Phoenix Life Limited, Phoenix Life Assurance Limited, Standard Life Assurance Limited, ReAssure Limited, ReAssure Life Limited. Sun Life Assurance Company of Canada (U.K.) Limited was acquired by PGH plc in April 2023 and is in the process of being integrated into the wider "Life Company" governance framework (expected to complete 1 April 2024).

**There are a total of five active Service Company Boards in operation currently within PGH plc to include Phoenix Group Management Services Limited, Pearl Group Services Limited, ReAssure UK Services Limited, Phoenix Management Services (Bermuda) Limited and SLFC Services Company UK Limited in operation to support the delivery of services to the UK and Bermuda Life Companies.

Board reporting line
Committee reporting line

System of governance continued

B.1 General Information on the system of governance continued

B.1.2 Board and committee structure continued

Footnotes

\# the Model Governance Committee is a joint committee of the Boards of Phoenix Life Limited, Phoenix Life Assurance Limited, PA (GI) Limited, Standard Life Assurance Limited, Standard Life Pension Funds Limited, ReAssure Limited and ReAssure Life Limited and has been authorised by the PGH plc Board to support the PGH plc Board in discharging its Internal Model responsibilities. A separate Model Governance Committee is in operation to support the Standard Life International dac Board.

* covers Phoenix Life Limited, Phoenix Life Assurance Limited, Standard Life Assurance Limited, ReAssure Limited, ReAssure Life Limited. Sun Life Assurance Company of Canada (U.K.) Limited was acquired by PGH plc in April 2023 and is in the process of being integrated into the wider "Life Company" governance framework (expected to complete 1 April 2024).

** There are a total of five active Service Company Boards in operation currently within PGH plc to include Phoenix Group Management Services Limited, Pearl Group Services Limited, ReAssure UK Services Limited, Phoenix Management Services (Bermuda) Limited and SLFC Services Company UK Limited in operation to support the delivery of services to the UK and Bermuda Life Companies.

B.1 General Information on the system of governance continued

B.1.3 Management Oversight Committees

Following changes made in 2022 with respect to the framework of management oversight committees, a further committee (the Enterprise Operational Management Committee) was added during the course of 2023. The current framework of Enterprise Management Committees is highlighted below together with a summary of their roles.

Enterprise Committee	Role Summary
Enterprise Finance & Capital Committee	To support effective decision making in relation to, and oversight of, financial and capital management matters.
Enterprise Sustainability Committee	To support effective decision making in relation to, and oversight of, management action and initiatives to implement the Group's sustainability, climate and people strategies.
Enterprise Customer Committee	To support the delivery of the Group's overall approved strategy, with specific reference to the customer strategies contained therein.
Enterprise Asset Management Committee	To oversee the operation and effectiveness of the Group's asset management activities.
Enterprise Transformation Committee	To oversee the operation and effectiveness of the Group's transformation and change activities
Enterprise Strategic Resource Allocation Committee	To direct and oversee the effective deployment of resources (including capital) across the Group's portfolio.
Enterprise Risk Management Committee	To oversee the operation and effectiveness of the Group's risk management framework.
Enterprise Operational Management Committee	To oversee the operational management, effectiveness, and risks of the Group's operational matters

B.1.4 PGH system of governance

B.1.4.1 Board responsibilities

PGH is listed on the London Stock Exchange. The Board is committed to high standards of corporate governance and, for the year ended 31 December 2023 PGH has been fully compliant with the principles and provisions set out in the 2018 UK Corporate Governance Code (the 'Code'). The Code sets standards for robust governance in the UK and applies to all companies with a premium listing, whether incorporated in the UK or elsewhere.

The PGH Board is responsible for establishing the strategy for the Group, ensuring that this is aligned with not only our purpose but also with the values and culture of the business. With the support of its Board Committees, during 2023, the PGH Board focused its time on:

- the Group's purpose, values and strategy;
- Corporate governance and reporting;
- Financial management and performance;
- People strategy, diversity, equity & inclusion and succession planning;
- Risk management and assurance;
- Stakeholder engagement;
- Sustainability; and
- Workforce policies and culture.

The PGH Board has a schedule of matters reserved for its consideration and approval, to include: Group strategy and business plans; oversight of the Group's culture; major acquisitions, investments and capital expenditure; financial reporting and controls; dividend policy; capital structure; the constitution of PGH Board Committees; appointments to the Board and Board Committees; senior executive appointments; and key Group policies.

B.1.4.2 Composition and running of the PGH Board

The PGH Board comprises thirteen Directors including a Non-Executive Chair, two Executive Directors; one abrdn plc-Nominated Director; one MS&AD-Nominated Director; and eight independent Non-Executive Directors ('NEDs'). During 2023, a number of changes were made to the composition of the PGH Board as follows:

- Following completion of his sabbatical to accommodate taking up the role as the Lord Mayor of London, Nicholas Lyons returned to his role as the PGH Board Chair on 1 December 2023;
- Alastair Barbour retired as the interim PGH Board Chair on 30 November 2023 and retired fully from the PGH Board on 31 December 2023;
- Mark Gregory joined the PGH Board as an independent Non-Executive Director on 1 April 2023;
- Stephanie Bruce, abrdn plc Nominated Director retired from the Board on 11 May 2023;
- David Scott, abrdn plc Nominated Director, was appointed to the Board on 11 May 2023;
- Katie Murray was appointed as member to the Nomination Committee on 29 May 2023;
- Kory Sorenson retired from the PGH Board as a Non-Executive Director on 30 June 2023. As a result of Kory Sorenson's retirement, Nicholas Shott was appointed as Chair of the Remuneration Committee on 4 May 2023; and
- Eleanor Bucks joined the PGH Board as an independent Non-Executive Director on 1 December 2023.

The existing nominated NED positions (for abrdn plc and MS&AD) are in addition to their current roles within those respective organisations.

Those performing roles which require approval pursuant to the Senior Managers and Certification Regime ('SMCR') have been duly approved.

The terms of appointment for the Directors state that they are expected to attend in person regular (at least six per year) and additional Board meetings and to devote appropriate preparation time ahead of each meeting. The PGH Board met formally seven times during 2023, including for a two-day strategy setting meeting. The Board met additionally for regular briefing meetings to continue to monitor the volatile macro-economic environment and oversight of the Group's strategic objectives. The Board continued with the briefing calls that were set up during the pandemic as they serve as a valuable bridge outside of the formal Board meetings and often facilitate educations sessions.

B.1 General Information on the system of governance continued

B.1.4 PGH system of governance continued

B.1.4.3 PGH Board Committee Framework

The PGH Board has delegated specific responsibilities to five standing committees of the Board. The terms of reference of the committees can be found on the Group's website (https://www.thephoenixgroup.com/about-us/governance/board-committees) and further details are also available in the Corporate Governance section of the PGH Annual Report and Accounts for the year ended 31 December 2023. The five committees which support the PGH Board are:

- Audit Committee;
- Risk Committee;
- Nomination Committee;
- Remuneration Committee; and
- Sustainability Committee.

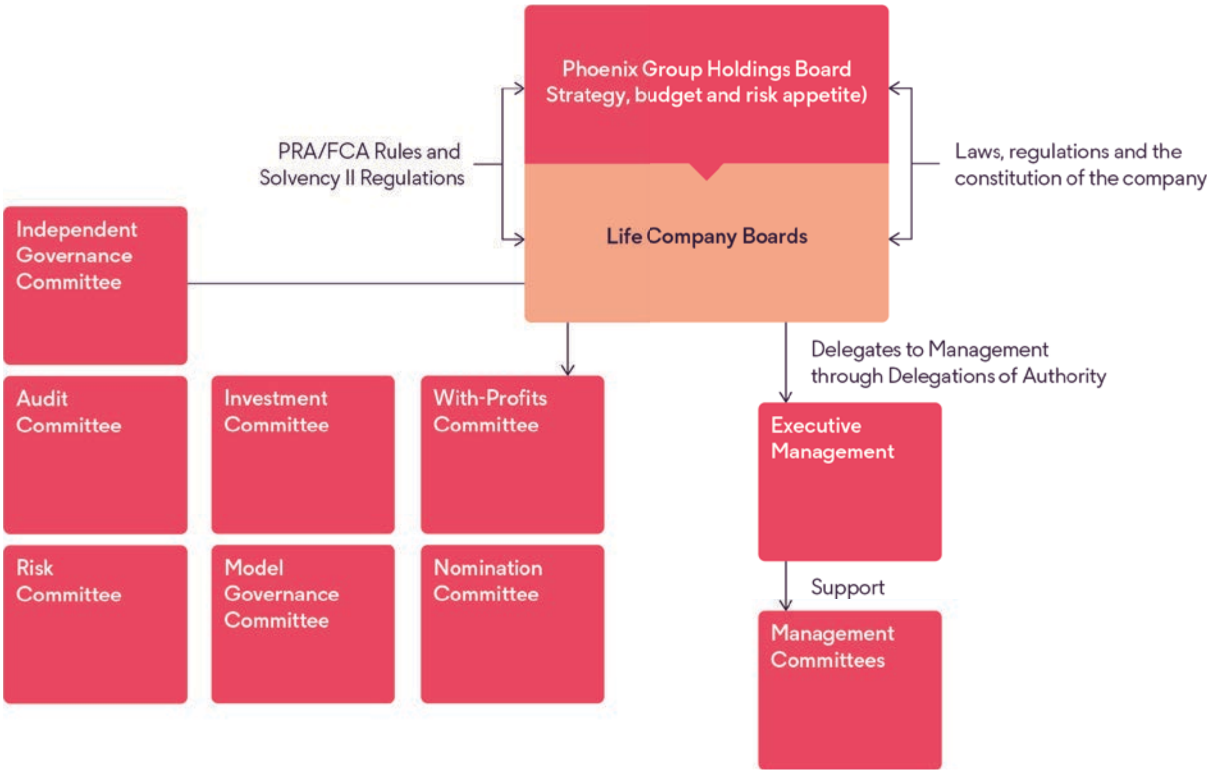
B.1.5 Role of Executive Management team

The Executive Management team is led by the Group Chief Executive Officer ('CEO'), who is supported by the ExCo. A summary of their roles and responsibilities are set out on the Group's website (https://www.thephoenixgroup.com/about-us/our-team/leadership/)

B.1.6 Life Companies and SLOC System of Governance

B.1.6.1 Board and committee structure – PLL, PLAL, SLAL, RAL, RLL and SLOC

The chart below summarises the governance and delegation structure of PLL, PLAL, SLAL, RAL, RLL and SLOC as at 31 December 2023.



The Independent Governance Committee and the Model Governance Committee are not applicable to SLOC.

Following completion of the funds merger on 27 October 2023, an application is in progress to deauthorise PLAL. SLAL has retained a small number of policies, but once these have been transferred to PLL a similar route to deauthorisation, as applied to PLAL, will commence.

B.1.6.2 Roles and responsibilities of the PLL, PLAL, SLAL, RAL, RLL and SLOC Boards

The PLL, PLAL, SLAL, RAL, RLL and SLOC Boards are responsible and accountable for strategic matters (within the strategy set by the PGH Board), oversight of management and the performance of the PLL, PLAL, SLAL, RAL, RLL and SLOC business.

The role of the PLL, PLAL, SLAL, RAL, RLL and SLOC Boards is to:

- Provide entrepreneurial leadership of PLL, PLAL, SLAL, RAL, RLL and SLOC within a framework of prudent and effective controls which enable risks to be assessed and managed;
- set PLL, PLAL, SLAL, RAL, RLL and SLOC's strategic aims, ensure that the necessary financial and human resources are in place for the companies to meet their objectives, and review management performance; and
- uphold PLL, PLAL, SLAL, RAL, RLL and SLOC's values and standards and ensure that obligations to its shareholders, policyholders and other stakeholders are understood and met.

B.1.6.3 Composition of the PLL, PLAL, SLAL, RAL and RLL Boards

The Boards of PLL, PLAL, SLAL, RAL and RLL (together, the "Life Company Boards") are currently comprised of twelve Board members – including the Chair; five Executive Directors and six independent Non-Executive Directors.

During the year, Margaret Hassall retired as an independent Non-Executive Director on 31 March 2023. Both Ian Craston and Jora Gill joined the Board as independent Non-Executive Directors on 1 June 2023.

Those performing roles which require approval pursuant to the SMCR have been duly approved.

System of governance continued

B.1 General Information on the system of governance continued

B.1.6 Board and committee structure – PLL, PLAL, SLAL, RAL, RLL and SLOC continued

B.1.6.4 Composition of the SLOC Board

The SLOC Board comprises of eight Directors including a Non-Executive Chair, six Non-Executive Directors and one Executive Director.

At the time of acquisition on 3 April 2023, the Board comprised of four Directors: a Non-Executive Chair, two Non-Executive Directors and one Executive Director. In line with the intended integration of SLOC into the existing framework of Life Company Board governance, (to include the constitution of a Board Investment Committee and Board Nomination Committee), the Non-Executive Directors of the Life Company Boards assumed responsibility for SLOC on 1 October 2023 with the following key changes made:

- Jim Sutcliffe, Chair of the Board, retired on 30 September 2023;
- Tracy Dunley-Owen, Non-Executive Director and Chair of the Audit and Compliance Committee, retired on 30 September 2023;
- Andrew Birrell, Non-Executive Director and Chair of the Risk and With-Profits Committees retired on 30 September 2023;
- John Lister was appointed Chair of the Board and Nomination Committee on 1 October 2023;
- Amanda Bowe was appointed Non-Executive and Senior Independent Director of the Board on 1 October 2023;
- Ian Craston was appointed Non-Executive Director of the Board on 1 October 2023;
- Jora Gill was appointed Non-Executive Director of the Board on 1 October 2023;
- Rosie Harris was appointed Non-Executive Director of the Board and Chair of the Risk Committee on 1 October 2023;
- Tim Harris was appointed Non-Executive Director of the Board and Chair of the Audit Committee on 1 October 2023;
- Nick Poyntz-Wright was appointed Non-Executive Director of the Board and Chair of the Investment Committee on 1 October 2023;
- Katherine Garner remained an Executive Director of the Board and Chief Executive Officer until 1 April 2024;
- Kerr Luscombe was appointed Chair of the With-Profits Committee on 1 October 2023, alongside the other Members of the Life Company Boards With-Profits Committee.

Those performing roles which require approval pursuant to the SMCR have been duly approved.

Further changes to the composition of the SLOC Board will take place from 1 April 2024 which will align the SLOC Board membership to that of the PLL, PLAL, SLAL, RAL and RLL Boards. This includes the appointment of three Executive Directors, Andy Briggs, Arlene Cairns and Rakesh Thakrar.

B.1.6.5 Life Company Board Committee Framework

The Life Company Boards have established and delegated specific responsibilities to the following standing committees of the Boards:

- Audit Committee;
- Investment Committee;
- Independent Governance Committee ("IGC")*;
- Model Governance Committee ('MGC')**;
- Nomination Committee;
- Risk Committee; and
- With-Profits Committee ("WPC").

The Independent Governance Committee and With-Profits Committee are each chaired by an independent committee member who is not a Director. Both of these committees have a number of independent members who are not Directors.

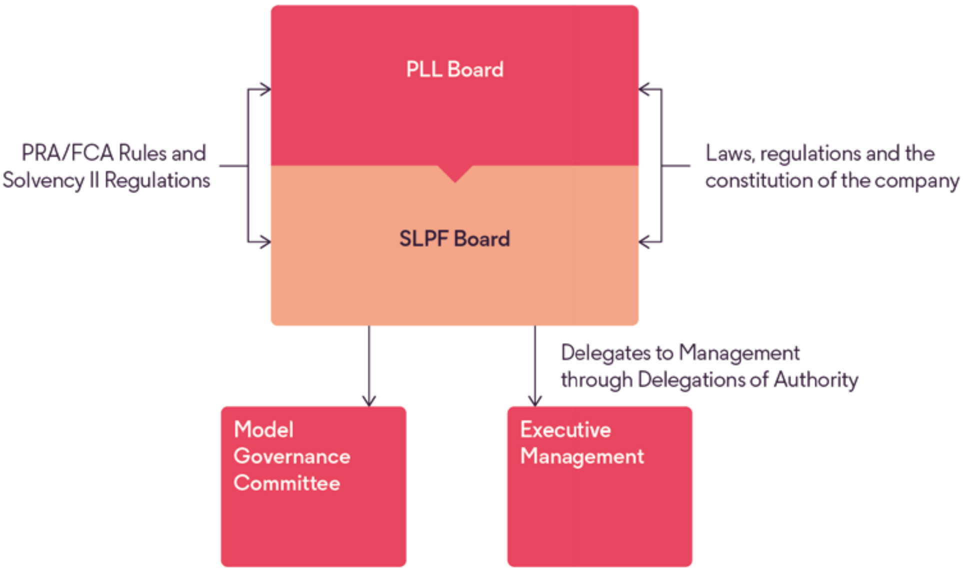
The other standing committees are chaired by NEDs. Further details regarding each of these committees are set out in section B.1.9.

* The IGC operates as a concurrent committee in accordance with Chapter 19.5 of the FCA's Code of Business Sourcebook for PLAL, PLL, SLAL, RAL and RLL.

** The MGC is a joint committee of the Boards of PLL, PLAL, PA(GI), SLAL, SLPF, RAL and RLL.

B.1.7 Board and committee structure – SLPF

The chart below shows the SLPF Board structure as at 31 December 2023.



System of governance continued

B.1 General Information on the system of governance continued

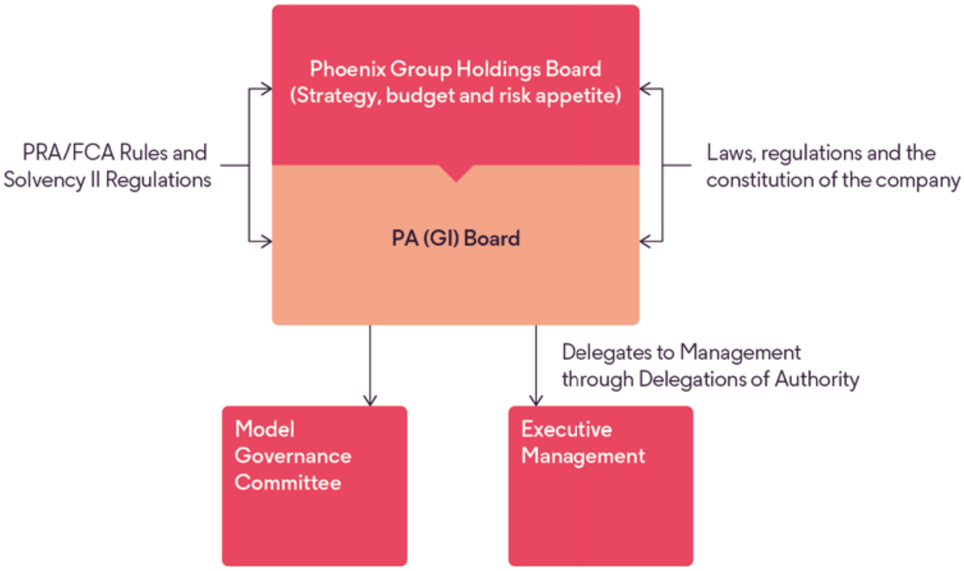
B.1.7 Board and committee structure – SLPF continued

The SLPF Board currently comprises of two Executive Directors and a non-executive Chair. The SLPF Board has one formal committee, the MGC, which is also a committee of the Boards of PLL, PLAL, SLAL, PA(GI), RAL and RLL. Further details are included in sections B.1.9 and B.1.10.

Following completion of the funds merger on 27 October 2023, an application is in progress to deauthorise SLPF.

B.1.8 Board and committee structure – PA(GI)

The chart below shows the PA(GI) Board structure as at 31 December 2023.



The PA(GI) Board comprises of four Executive Directors. The PA(GI) Board has one formal committee, the MGC, which is also a committee of the Boards of PLL, PLAL, SLAL, SLPF, RAL and RLL. Further details are included in sections B.1.9 and B.1.10.

B.1.9 Committees of the Boards

Details of the composition and role/duties of each standing committee of the Life Company and SLOC Boards, where relevant, are outlined below:

Committee	Role, duties and responsibilities
Audit Committee	• Monitor the overall integrity of financial reporting. • Review the overall effectiveness of the relevant Company's internal control and risk management system and the Internal Audit function. • Agree the nature and scope of external audits and to oversee the relationship with the external auditors. • Monitor and review the effectiveness of the Finance function and the integrity of financial reporting. • Approve the remit of the Group Internal Audit ('GIA') function
Investment Committee	• Establish and implement investment strategy and to regularly review investment and Asset Liability Management ('ALM') strategy whilst ensuring customers are treated fairly. • Initiate or review proposals for material changes in investment direction, and to approve such changes. • Review relative investment performance and oversee the governance of the relationships between the relevant Company and all investment managers, including oversight and review of fees, fee structures and Service Level Agreements. • Oversight and review the appropriateness of investment mandates. • Liaise with management committees which have responsibility for the shareholder impact of investment matters and also with the With-Profit Committee which has responsibility for the policyholder impact of investment matters.
Independent Governance Committee (excluding SLOC)	• Act in the interest of members of the contract-based workplace pension schemes operated by the relevant Company and assess the ongoing value for money delivered by them.
Model Governance Committee (excluding SLOC)	• Monitor the strategic direction and overall governance of the Internal Model used by the relevant Company. • Provide assurance to the relevant Board on the ongoing appropriateness, performance and effectiveness of the Internal Model. • Oversight of the results of the Standard Formula appropriateness assessment for the ReAssure Group plc capital model.

B.1 General Information on the system of governance continued

B.1.9 Committees of the Boards continued

Committee	Role, duties and responsibilities
Nomination Committee	• Lead the process for appointments and ensure that the Board retains an appropriate balance of skills, knowledge, experience and diversity to support the strategic objectives of the relevant Company. • Ensure there is a formal, rigorous and transparent approach to the appointment of Directors including maintaining an effective framework for succession planning. • Approve proposals for the appointment or removal of Directors to/from the Board. • Regularly review the structure, size and composition of the Board and make recommendations with regard to changes that are deemed necessary. • Identify and nominate candidates to fill Board vacancies as and when they arise and give consideration to succession planning. • Review annually the time required from NEDs and recommend the re-appointment to the Board of any NED at the end of their specified term of office.
Risk Committee	• Advise the relevant Board on all risk matters including risk appetite and tolerance in setting the future strategy. • Maintain the risk management framework ('RMF'), reviewing the risk appetite framework and limits. • Approve the overall risk management strategy and principal risk policies including monitoring compliance. • Oversight of the design and execution of the stress and scenario testing framework, and also ensuring that risks to the business plan are adequately identified and assessed through stress testing and scenario analysis.
With-Profits Committee	• Support the relevant Board in discharging its governance responsibilities in relation to compliance with the Principles and Practices of Financial Management ('PPFM'). • Assess, report on, and provide clear advice and, where appropriate, recommendations to the Board on the way in which each with-profits fund is managed and whether this is properly reflected in the PPFM and on any other issue which the Board or Committee considers that with-profits policyholders might reasonably expect the Committee to be involved. • Provide independent judgement in the assessment of PPFM compliance and how any competing or conflicting rights and interests of policyholders and, if applicable, shareholders have been addressed. • Consider all major transactions involving the Company (for example Part VII transfers, reinsurances, outsourcing) to the extent to which they impact upon with-profit policyholders. • Consider at the request of the Board all proposals for the exercise of discretion in respect of non-profit policies and the conduct and overall approach to treating customers fairly.

B.1.10 Model Governance Committee ('MGC')

B.1.10.1 Roles and responsibilities of the MGC

The role of the MGC is to monitor the strategic direction and overall governance of the Group's harmonised Internal Model. The Committee provides assurance to the relevant Boards on the ongoing appropriateness, performance and effectiveness of the harmonised Internal Model. The MGC also oversees the results of the Standard Formula appropriateness assessment for the ReAssure Group plc capital model.

B.1.10.2 Composition and running of the MGC

The MGC is a committee of PLL, PLAL, SLAL, RAL, RLL, PA(GI) and SLPF Boards and also supports the PGH Board in discharging its Internal Model related responsibilities. MGC membership comprises a Non-Executive Chair and four other independent Non-Executive Directors from the PGH and Life Company Boards.

The MGC meets on at least four occasions a year at appropriate times in the reporting cycle or more frequently as circumstances require.

The Committee Chair reports in writing to the respective PGH and Life Company Boards on proceedings after each meeting, on all matters within its duties and responsibilities. This ensures the Boards receive appropriate information to ensure the Internal Model is operating properly on a continuous basis. The Committee makes whatever recommendations to the Boards it deems appropriate on any area within its remit where action or improvement is needed.

B.1.10.3 Assignment of responsibilities

The MGC has delegated the tasks required under the regulations to the Actuarial, Finance and Risk departments in accordance with their current responsibilities under a 'Three Lines of Defence' model (further details are included in the Risk Management section B.3.2). The RMF is underpinned by the operation of the governance model with clearly defined roles and responsibilities of boards and their committees, management oversight committees, Group Risk and Group Internal Audit.

In their role as first line of defence (where risk is delegated from the Board to the Group CEO, ExCo members and through to business managers), the Finance and Actuarial departments have delegated responsibility for:

- design, implementation, operation and use of the Internal Model set by the Group Risk function;
- operation of the validation framework in line with the requirements set by the Risk Management function;
- documenting the Internal Model process and any subsequent changes; and
- informing the Board about the performance of the Internal Model, its limitations, areas needing improvement, and the status of activity to address previously identified weaknesses.

B.1 General Information on the system of governance continued

B.1.10 Model Governance Committee ('MGC') continued

B.1.10.3 Assignment of responsibilities continued

In its role as second line of defence (where risk oversight is provided by the Group Risk function, the PGH Board Risk Committee and the relevant Life Company Risk Committees), the Risk function has delegated responsibility for governance and oversight of the Internal Model, including but not limited to:

- sponsorship of the model governance policy;
- ownership of the Internal Model validation framework;
- independent validation of the design, implementation and operation of the Internal Model, including compliance with the model governance policy; and
- in relation to independent validation activity performed and summary reports produced, informing the administrative or management body about the performance of the Internal Model, suggesting areas needing improvement, and providing a review of the Finance and Actuarial departments' reporting in relation to weaknesses and limitations of the Internal Model, and the activity to improve previously identified weaknesses.

B.1.11 Key functions

Solvency II defines 'function' within a system of governance as an internal capacity to undertake practical tasks and to operate a system of governance which includes the Risk Management function, the Compliance function, the Internal Audit function and the Actuarial function.

The functions which operate within the Group are as follows:

- Compliance function (see section B.4 for further details);
- Risk Management function (see section B.3 for further details);
- Internal Audit function (see section B.5 for further details); and
- Actuarial function (see section B.6 for further details).

Their duties and responsibilities are allocated, segregated and coordinated in line with Phoenix Group policies. This ensures that all the important duties are covered and that unnecessary overlaps are avoided.

Further details on how the key functions have the necessary authority, resources and operational independence to carry out their tasks together with how those functions report to and advise the Boards of the Group are provided in the sections which cover each function (see sections B.3, B.4, B.5 and B.6).

B.1.12 Remuneration Policy

This section details the remuneration policy in place for the Group for the year ended 31 December 2023.

The Group has one consistent remuneration policy for all levels of employees which is made available to all staff. Therefore, the same remuneration policy principles guide reward decisions for all Group employees, including Executive Directors, although remuneration packages differ to take into account appropriate factors for different areas of the business.

The Group-wide remuneration policy is overseen by the Remuneration Committee of PGH ('RemCo'). Further details on this Committee can be found in the Remuneration Report in the PGH Annual Report and Accounts for the year ended 31 December 2023 and on the governance pages of the PGH website (https://www.thephoenixgroup.com/about-us/governance).

The policy focuses on ensuring sound and effective risk management and supports management in the operation of the business through the identification of minimum standards and key controls.

The key principles of the remuneration policy which applies across the Group are set out below.

a. Attract, retain and motivate quality staff – management keep remuneration practices under review to ensure that these support promotion of the long-term interests of the Group and its stakeholders and adequately and fairly reward staff.
b. Remuneration is positioned appropriately against external benchmarks – remuneration is benchmarked against independent third party data at appropriate intervals.
c. Remuneration is aligned to the long-term success of the Group – performance-related components of remuneration are aligned to measures which reflect achievement of the Group's long-term success and strategy.
d. Remuneration takes account of the risk profile of the Group – performance related components of remuneration take into account the risk profile of the Group, with all assessments of performance subject to Committee oversight which include the consideration of risk-related factors.
e. Proportion of variable pay is appropriate and balanced and has due regard to any impact of risk – the ratio of fixed to variable remuneration will differ depending on the specific incentive schemes in operation across the business. However, the Group seeks to ensure that an appropriate balance between fixed and variable remuneration is maintained for all employees, with the fixed proportion being sufficient to allow variable pay to operate on a fully-flexible basis, including the possibility of no payments of variable remuneration in a year. For SMCR Identified Staff (further details are included in section B.2) there is also an appropriate balance between annual and long-term incentives, with the deferral of annual incentives into shares and all incentives including provision for the application of malus and clawback where appropriate.
f. Independence and strong governance in decision-making processes – as the policy is overseen by RemCo this ensures an appropriate level of independent challenge given RemCo exclusively comprises independent NEDs. Certain roles within control functions (Risk, Compliance, Internal Audit and Actuarial) are also subject to different variable pay arrangements which exclude any linkage to financial performance for annual incentives.

B.1.12.1 Variable remuneration plans

Annual Incentive Plan

All permanent members of staff and fixed term contractors participate in an Annual Incentive Plan ('AIP'), providing they have joined on or before 31 October of the plan year.

For the majority of staff this is subject to a mixture of Corporate (financial and strategic) and Personal (individual objectives) performance measures. This represents a balanced scorecard which includes customer metrics in addition to financial and personal measures. Personal performance is also assessed not only against the What (objectives) but also against our values and how objectives are delivered. The same AIP framework applies to all employees, with the exception of (i) SMCR identified staff in a control function whose AIP is based solely on personal

B.1 General Information on the system of governance continued
B.1.12 Remuneration Policy continued
B.1.12.1 Variable remuneration plans continued
performance, and (ii) those colleagues who transferred from SunLife of Canada who remained on their legacy AIP for the duration of 2023, and (iii) colleagues in Asset Management who participate in a fully discretionary incentive plan.

Under the main Group AIP, the metrics for certain groups of employees within the Savings and Retirement division have a proportion of corporate metrics linked to their operating businesses; all other staff (with the exception of the categories referred to above) are subject to the Group corporate metrics detailed below.

The quantum of and the balance between Corporate and Personal performance measures varies between different levels of staff. The majority of staff below ExCo+1 level has an equal split between corporate and personal elements, although AIP for SMCR Identified Staff in Control functions (Audit, Risk, Compliance and Actuarial) is based on personal performance only so that their remuneration is not subject to the performance of any part of the business of which they have oversight. The Corporate performance measures apply on a Group-wide basis to produce a 'corporate factor' in calculating AIP outcomes.

For 2023, the selected performance measures for the corporate element of the AIP were as follows:

Performance metric	Weighting of corporate measure
Corporate measures for AIP for 2023	
Cash generation	30%
Incremental new business long-term cash generation (less strain) plus own funds impacting management actions	30%
Open (Pensions & Savings) net flows	15%
Customer experience	25%

A new fully discretionary bonus plan was introduced for the performance year 2023 for colleagues in the Asset Management function. This better aligns their remuneration structure to the external market and operates on a bonus pool mechanism. The bonus pool is determined through the assessment of performance against Corporate metrics and pre-determined functional targets which are set at the start of the calendar year. Once the bonus pool is determined it is distributed to teams based on their contribution to the targets, from where is it is distributed to individuals on a fully discretionary basis, using relevant data points.

In ensuring that all regulatory deferrals of 40% of variable pay are met, one-third of AIP outcomes for all Business Leaders subject to the regulatory requirements was deferred for a period of three years under the Deferred Bonus Share Scheme; for ExCo this deferral was 50%. This population of Business Leaders are also in receipt of a Long term Incentive Plan.

AIP outcomes are also subject to malus (cancellation / reduction of deferred variable pay awards or unpaid bonuses) and clawback (actual recovery of amounts paid or vested awards). Additionally, AIP outcomes are subject to downwards risk related adjustments in line with the Group's risk management profile.

Long-term Incentive Plan
The Group operates a Long-term Incentive Plan ('LTIP') for Business Leaders, targeted at Exco+1 level.

The Remuneration Committee sets performance measures for each LTIP grant. Performance measures include an appropriate mix of measures based on growth in suitable performance conditions and consistent with our Environment, Sustainability and Governance ('ESG') strategy set at the time of grant. Performance measures are subject to additional 'underpin' requirements which permit RemCo to reduce or prevent vesting in appropriate circumstances.

The weightings of the LTIP performance measures for 2023 are summarised below. Each performance measure is assessed over the period of three financial years from 2023 to 2025.

Metric	Weighting
Net Operating Cash Receipts	20%
Group In-Force Long Term free cash	20%
Persistency	20%
Decarbonisation – Ops	10%
Decarbonisation – Investments	10%
Relative Total Shareholder Return ('TSR')	20%
Total	100%

All 2023 LTIP awards are subject to a further underpin measure relating to risk management within the Group. This 'underpin' also includes consideration of customer satisfaction and, in exceptional cases, personal performance.

The Relative TSR measure is calculated against the constituents of the FTSE 350 (excluding Investment Trusts) with vesting commencing at median (25% of this part of the award) and full vesting at upper quartile levels, subject to an underpin regarding underlying financial performance.

B.1.12.2 Description of pension arrangements
All members of staff are invited to participate in the Group Personal Pension plan or other defined contribution pension arrangements that are open at that time. Where an individual is impacted by annual or lifetime limits on contribution levels to qualifying pension plans, the balance could be taken as a cash supplement (reduced for the impact of employers' National Insurance Contributions).

The Group does not operate any discretionary pension benefits. Death in Service benefits are separate to the pension scheme and provided to all staff with the same level of benefits.

B.1.12.3 Material transactions with shareholders and members of the Boards
Other than as provided in this section, there were no transactions with members of the PGH Board and insurance subsidiary Boards other than remuneration provided under the principles set out above.

B.1 General Information on the system of governance continued

B.1.12 Remuneration Policy continued

B.1.12.3 Material transactions with shareholders and members of the Boards continued

Details of the actual remuneration of the members of the PGH Board are set out in the Directors' remuneration report in the PGH Annual Report and Accounts for the year ended 31 December 2023.

Transactions with key management personnel

Details of investments made by the key management personnel in Pensions and Savings products sold by the Group are provided in Note I4 of the PGH Annual Report and Accounts for the year ended 31 December 2023.

Transactions with shareholders

Material transactions with shareholders reflect the payment of dividends, of which further details can be found in the Directors' Report included in the PGH Annual Report and Accounts for the year ended 31 December 2023. Details of the shareholdings of the members of the PGH Board are set out in the Directors' Remuneration Report in the PGH Annual Report and Accounts for the year ended 31 December 2023.

During the year, the Group's main insurance subsidiaries paid either dividends or paid cash remittances in the form of a loan to their parent company.

B.2 Fit and proper requirements

This section outlines the Senior Managers and Certification Regime ('SMCR'). It provides information on the specific requirements concerning 'fitness and propriety' which considers the skills, knowledge and expertise applicable to the persons who effectively run the undertaking or hold other key functions.

B2.1 Senior Managers and Certification Regime ('SMCR') – Compliance

The aim of the SMCR is to reduce harm to consumers and strengthen market integrity by making individuals more accountable for their assigned responsibilities, conduct and competence.

The SMCR aims to:

- encourage a culture of employees at all levels taking personal responsibility for their actions; and
- ensure companies and employees clearly understand and can demonstrate where responsibility lies. The SMCR contains three separate elements:
  - the Senior Managers Regime;
  - the Certification Regime; and
  - Conduct Rules.

Senior managers who perform key roles (referred to as 'SMF' roles) will need PRA and FCA approval before starting their roles. The regime makes these individuals accountable for the sound and prudent management of their firm and requires them to behave with appropriate integrity, honesty and skill.

The table below provides a summary of SMCR impacted individuals and SMF Roles in insurance companies within the Phoenix Group.

SMF1 – Chief Executive	SMF13 – Chair of Nomination Committee
SMF2 – Chief Finance Function	SMF14 – Senior Independent Director
SMF3 – Executive Director	SMF15 – Chair of With-Profit Committee
SMF4 – Chief Risk Function	SMF16 – Compliance Oversight
SMF6 – Head of Key Business Area	SMF17 – Money Laundering Reporting Officer
SMF7 – Group Entity Senior Manager	SMF18 – Other Overall Responsibility
SMF9 – Chair of Governing Body	SMF20 – Chief Actuarial Function
SMF10 – Chair of Risk Committee	SMF20a – With-Profits Actuary
SMF11 – Chair of Audit Committee	SMF24 – Chief Operations Function
SMF12 – Chair of Remuneration Committee	

The certification regime has a broader application and impacts a greater number of individuals. The firm and its senior managers are responsible for the design, management and oversight of the Certification Regime.

All other staff, with a few exceptions of staff not dealing with customers, must comply with the FCA conduct regime.

B.2.2 Process For Assessing Fitness and Propriety

The Group has a number of policies and processes established which apply to all regulated entities and provide appropriate guidance and governance to ensure that those effectively running the Group have and maintain appropriate fit and proper status during their appointment. These policies and processes include the requirements to:

- identify and maintain accurate records of all Approved Persons, which includes Senior Management Function holders and Certified Individuals, sufficient to meet the requirements of the FCA and PRA;
- ensure new appointments are appropriately authorised, including skills analysis, competence assessment and relevant development plan documentation and monitoring;
- maintain a SMCR Framework to provide direction and guidance to the Group's Approved Persons ensuring they understand and can evidence how they meet their regulatory requirements;
- complete periodic assessments of Approved Persons to determine their ongoing competence, including consideration of performance development rating, Disclosure and Barring Service ('DBS') check, periodic financial check and interim self-certification;
- maintain an effective performance management framework, ensuring that the performance of employees is effectively managed;
- motivate and retain the right employees through appropriate reward structures;
- deliver an appropriate organisational culture through embedding appropriate values and behaviours;
- identify, plan and implement effective learning and development activities; and
- provide guidance, information and advice regarding the requirements, expectations and obligations of an Approved Person role.

Adherence to these standards is monitored on a quarterly basis and recorded within the Group centralised risk management system.

B.3 Risk management system, including the own risk and solvency assessment

This section provides a description of the Group's Risk Management Framework ('RMF') including information on how the risk management functions are implemented and integrated into the organisational structure and decision-making processes of the Group.

B.3.1 Risk Management Function

The Group Risk function is led by the Phoenix Group Chief Risk Officer ('CRO'). The Phoenix Life Company CRO (covering the UK Life companies), Savings & Retirement Division CRO and Asset Management CRO report into the Group CRO.

Each CRO is supported by the following Group Risk areas which operate on a shared services basis:

- Financial Risk
- Asset Management
- Risk Strategy and Reporting
- Regulatory Relationships
- Conduct and Compliance
- Operational Risk
- Information Security & Cyber Risk
- Data Protection
- Financial Crime Prevention

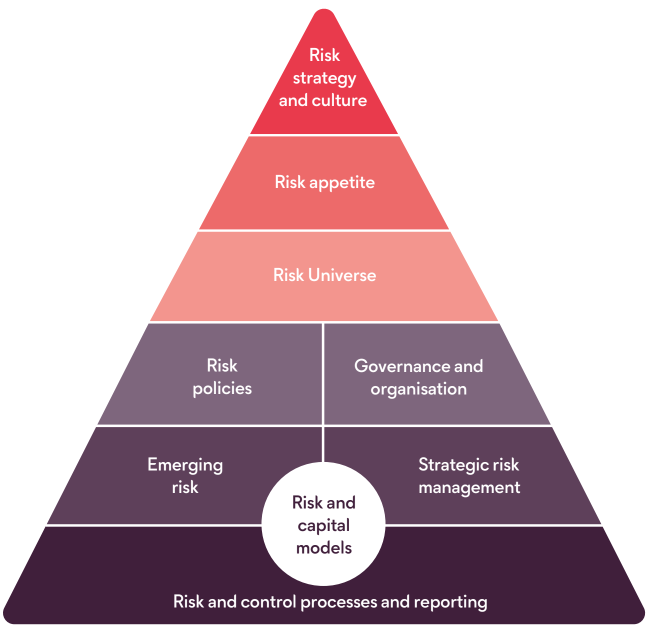
The Group's Value Centres are supported with oversight from across Group Risk. In addition, SLIDAC and PLAE operate separate local risk functions.

B.3.2 Risk Management Framework

The RMF embeds proactive and effective risk management across the Group. It seeks to ensure that all material risks are identified, assessed, controlled, monitored, managed within approved risk appetites and reported through agreed governance routes in line with delegated authorities. The Group's RMF is aligned to the principles and guidance in ISO 31000 Risk Management standards.

In April 2023 the purchase of Sun Life UK was completed by the Group, acquiring a closed book with life, pensions and annuity business. From 1 April 2024 the local risk function was integrated with the Group. This integration includes the adoption of the Group's RMF and risk management systems.

Group Risk conducts an assessment of the effectiveness of each function in the business in adhering to the requirements of the RMF twice a year. This provides assurance to management and the Boards that the RMF has been implemented consistently, is embedded and is operating effectively across the Group.



B.3.2.1 Risk Strategy and Culture

Risk Strategy – The Group's Risk Strategy is to take rewarded risks that are understood, managed effectively and are consistent with the Group's purpose and strategy.

The Group Risk Strategy supports a more stable, well-managed business with improved customer, shareholder, colleague and societal outcomes in line with the Phoenix strategy.

The Group achieves its overall social purpose and enterprise strategy not by avoiding risks, but through the identification and management of an acceptable level of risk (the Group's 'risk appetite') which ensures the Group is appropriately rewarded for the risks that are taken. To help bring focus to the risks that it seeks to mitigate, the Group has categorised its risk universe into 'Fundamental', 'Consequential – Active' or 'Consequential – Passive'.

Risk Culture – The Group defines its vision for Risk Culture as an environment that supports informed decision-making and controlled risk-taking. Through nurturing a good risk culture, the business can foster innovation, embrace change, and strategically differentiate from its competitors.

This vision is supported by the Group's Risk Culture Framework which articulates an ambition to support colleagues to demonstrate attitudes and behaviours that are in line with this vision through comprehensive measurement and proactive management.

A Risk Culture Report is provided to the Phoenix Group Board Risk Committee twice a year, capturing qualitative observations from across the business and a dashboard of quantitative data to measure the Group's Risk Culture and identify areas for improvement.

The Group utilises qualitative observations and structured monthly surveys as a rich quantitative data source to monitor colleague engagement, health and wellbeing, as well as providing a safe platform to allow colleagues to proactively identify and report upon potential cultural risks. The Group is working hard to ensure that a psychologically safe environment exists within Phoenix, where colleagues are empowered to share different viewpoints and have an ability to speak up freely. The Group's Board of Directors reinforces its culture and values through their conduct (individually and collectively), decisions and strategic oversight.

B.3.2.2 Risk Appetite

Risk appetite is used to define the amount of risk that the Group is willing to accept in the pursuit of enhancing customer and shareholder value and the attainment of strategic objectives.

The Group's risk appetite statements establish the amount and type of risk that the Group is willing to take in order to meet our strategic objectives and are a key tool in balancing the interests of different stakeholders. The Group's Risk Appetite Framework operates by cascading the Board's Risk Appetites through to lower level risk policies. The Risk Appetite Framework is reviewed on an annual basis.

The following Board-approved Risk Appetite statements are adopted by the Group:

Capital – The Group and each Life Company will hold sufficient capital to meet business requirements including those of key stakeholders in a number of Board-approved asset and liability stress scenarios.

Liquidity – The Group and each Life Company will seek to ensure that it has sufficient liquidity to meet its financial obligations under a range of Board-approved scenarios.

Shareholder Value – The Group only has appetite for risks that are rewarded, adequately understood and managed, and consistent with the Group's strategy. The Group will take action to grow and protect shareholder value.

B.3 Risk management system, including the own risk and solvency assessment continued

B.3.2 Risk Management Framework continued

B.3.2.2 Risk Appetite continued

Control – The Group, including all legal entities, will protect the interests of our customers, employees, shareholders and other stakeholders by operating a robust control environment that meets the requirements of the approved controls objectives for all risks within the Phoenix Risk Universe.

Conduct – The Group acts to deliver good outcomes for customers and maintains high conduct standards in line with regulatory, customer and market expectations. The standards we are all expected to achieve are detailed in our Group Code of Conduct. We take breaches of our code seriously and they may result in disciplinary action being taken. If this instance arises, a thorough investigation will take place prior to an appropriate level of support and/or sanction being put in place in order to mitigate further breaches of our code. The Group has no tolerance for deliberate misconduct.

Sustainability – The Group seeks to be a leader in informing system change on the key sustainability issues linked to our purpose and strategy. We want to use our position in the market to drive positive change for customers and wider society over the long-term. Our Sustainability Strategy is designed to take advantage of sustainability opportunities and manage sustainability risks in a way that is transparent, affordable, and aligned with good customer outcomes and regulatory requirements.

B.3.2.3 Risk Universe

A key element of effective risk management is ensuring that the business understands and identifies the material key risks it faces. The Group's Risk Universe summarises the comprehensive set of risks to which the Group is exposed. The Risk Universe allows the Group to deploy a common risk taxonomy and language, allowing for meaningful comparison to be made across the business. The risk profile of each is an assessment of the impact and likelihood of those risks crystallising and the Group failing to achieve its strategic objectives. Changes in the risk profile are influenced by the commercial, economic and non-economic environment and are identified, assessed, managed, monitored and reported through the Group's RMF processes. The Risk Universe presents the complete set of risks across the Group in increasing levels of granularity, i.e. Level 1 risks are the high level risk categories, Level 2 risks are the components of these categories and, in some instances, Level 3 risks are included, where considered necessary, as sub-components.

Level 1, the highest Risk Universe category, includes:

- Strategic Risk
- Customer Risk
- Financial Soundness Risk
- Market Risk
- Credit Risk
- Insurance Risk
- Operational Risk

The Group's Conduct Strategy and Climate Change Risk Framework cross-cuts the Risk Universe as they are relevant to all risks to which the Group is exposed.

B.3.2.4 Risk Policies

The Group Risk Policy Framework supports the delivery of the Group's social purpose and enterprise strategy by establishing the operating principles and expectations for managing the key risks to the Group's business day-to-day. Each of the risk policies defines:

- The individual risks the policy is intended to manage;
- The degree of risk the Group is willing to accept, which is set out in the policy risk appetite statements;
- The Control Objectives that determine the Key Controls required in order to manage each risk to an acceptable level.

The Group Risk Policy Framework further supports the Group in operating within the boundaries of its risk appetite statements by seeking to limit volatility under a range of Board-approved adverse scenarios.

Quantitative and qualitative appetite limits are chosen which specify the acceptable likelihood for breaching the agreed appetite statements (for example less than x% chance of a breach in regulatory capital) and assessment against the appetite targets is undertaken through scenario testing.

Breaches of appetite are corrected through management actions where appropriate. The effective use of risk mitigation techniques such as reinsurance, hedging and outsourcing are key to ensuring the Group remains within risk appetite and are described in the relevant Group Risk Policies.

A Group Conduct Strategy and Climate Risk Framework overarches all risk policies to provide a holistic view of conduct and climate change risk. This provides a consistent and comprehensive approach in the application of the RMF in order to manage these risks across the Group.

B.3.2.5 Governance and Organisation

The RMF delivers a consistent three lines of defence model with clearly defined roles and responsibilities for all components. Risk accountability and ownership are embedded in the first line with first line assurance teams established to support the business by providing substantiated evidence that controls are fit for purpose.

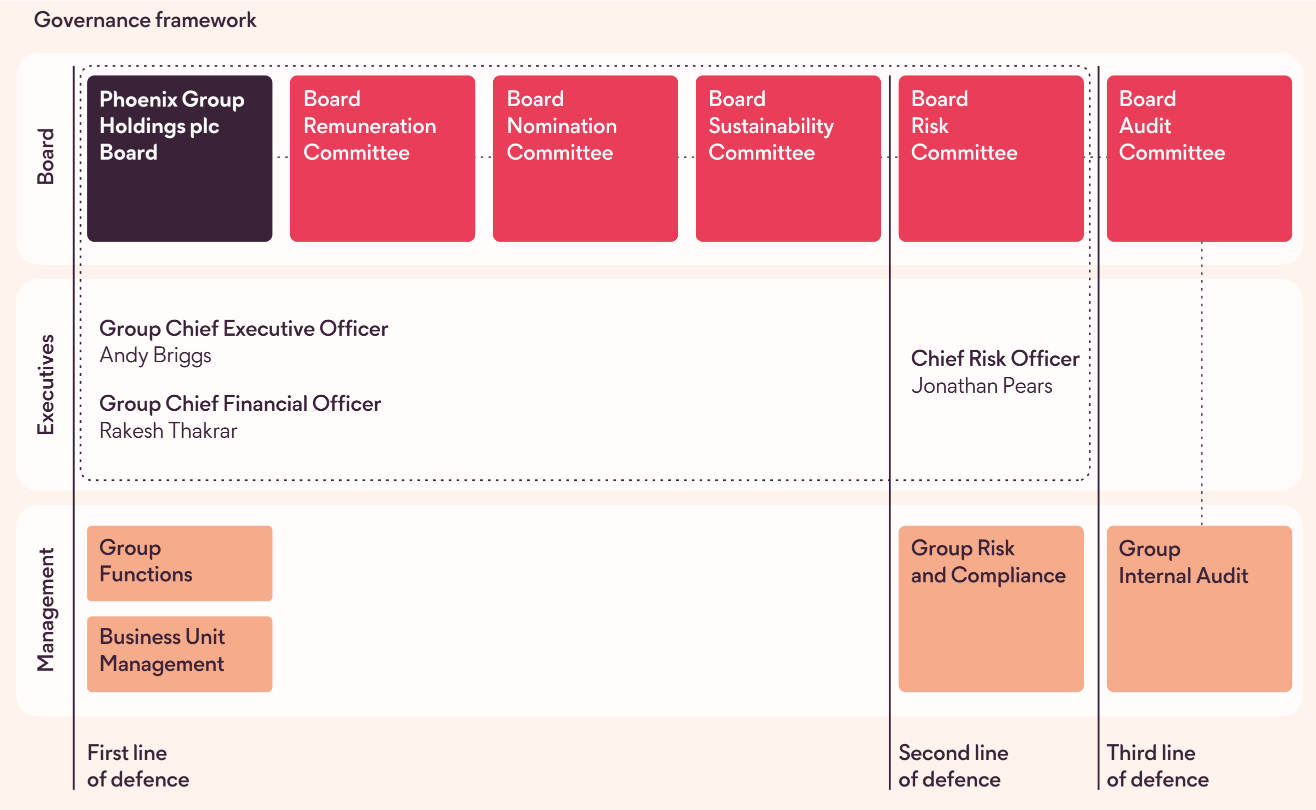
Overall responsibility for approving the RMF rests with the Board, with maintenance and review of the effective operation of the RMF delegated to the Group Board Risk Committee. This delegation also includes approval of the overall risk management strategy and the review and recommendation to the Board of the relevant risk policies, risk appetite statements, risk profile and any relevant emerging risks.

B.3 Risk management system, including the own risk and solvency assessment continued

B.3.2 Risk Management Framework continued

B.3.2.5 Governance and Organisation continued

The governance framework in operation throughout the Group can be found in the chart below.



First Line: Risk Management

Management of risk is delegated from the Board to the Group Chief Executive Officer, Executive Committee members and through to business managers. The First Line is responsible for implementation of the RMF, ensuring that risks to the Group and its customers, shareholders, colleagues and society are identified, assessed, controlled, monitored, managed and reported.

Second Line: Risk Oversight

Independent oversight of risk management is provided by the Group Risk Function through advice, guidance, review, challenge, opinion and assurance; their views are reported to the Board Risk Committee. Group's Risk's purpose and responsibilities of the Group Risk function are set out in the Risk Mission, Mandate and Plan, which is presented to the Board Risk Committee for approval annually.

Third Line: Independent Assurance

Independent verification of the adequacy and effectiveness of internal controls and risk management is provided by the Group Internal Audit function, reporting its output to the Group Board Audit Committee.

B.3.2.6 Emerging Risk

The Group defines an emerging risk (or opportunity) as an event that is perceived to be potentially material but is not yet fully understood. Emerging risks can either be novel or connected with existing risks but where the context, conditions or constraints are subject to material changes.

Mitigating action may not be necessary until further information is known about the possible impact.

The distinction between a current risk and an emerging risk predominantly relates to the amount of available information. Emerging Risks draw upon potential internal and external change drivers to the organisation, and often stem from changes in economic, environmental, societal, technological, legal or political circumstances. Fewer details tend to be available for emerging risks meaning that likelihood and severity impacts must be estimated. Emerging risks or opportunities can typically take longer to crystallise, but in many cases immediate action is required to pre-emptively mitigate risks or fully maximise opportunities.

Whilst any estimates have an element of subjectivity, they are validated during Management Board and Board Risk Committee discussions. These conversations help drive out a comprehensive understanding of potential new risks and opportunities to which the organisation is exposed, drawing on the collective expertise and experiences of subject matter experts. The Group captures emerging risks and opportunities in a detailed log.

B.3 Risk management system, including the own risk and solvency assessment continued

B.3.2.7 Strategic Risk Management

Strategic risks threaten the achievement of the Group's social purpose and enterprise strategy. The Group recognises that core strategic activity brings with it exposure to strategic risk, however it seeks to proactively identify, manage and monitor these exposures. A Strategic Risk Policy is maintained and reported against regularly, with a particular focus on risk management, stakeholder management, corporate activity and overall reporting against the strategic ambitions of the Life Companies and Group.

B.3.2.8 Risk and Capital Models

The Group uses a Partial Internal Model for calculation of the Group SCR with the solo SCR of the Life entities being calculated by Internal Model, Partial Internal Model or Standard Formula. Details are given in Section B.3.4. A continuous process is followed for the identification and assessment of risk types and the corresponding resilience of the Group's capital position. The Group continually strives to enhance its internal risk and capital models and the related modelling must be sufficiently accurate to enable appropriate ranking and management of risks.

Under Solvency II, the development and production of any Internal Model output contributing to regulatory capital requirements must comply with validation standards, supported with documentation standards. This is supported by a Model Governance Policy, which sets out the standards that must be satisfied to demonstrate meeting Solvency II requirements. The Internal Model output is used within the Own Risk and Solvency Assessment process to provide insight into risks associated with Group objectives. The Group Stress and Scenario Testing Programme uses the Internal Model to assess the capital impact of a range of plausible and extreme stresses.

B.3.2.9 Risk Control Processes and Reporting

Identification, assessment, management and reporting of risks, including lessons learnt from incidents, is undertaken across the three lines of defence, and reported through business and management governance to the relevant Boards and committees.

B.3.3 Own Risk and Solvency Assessment Process ('ORSA')

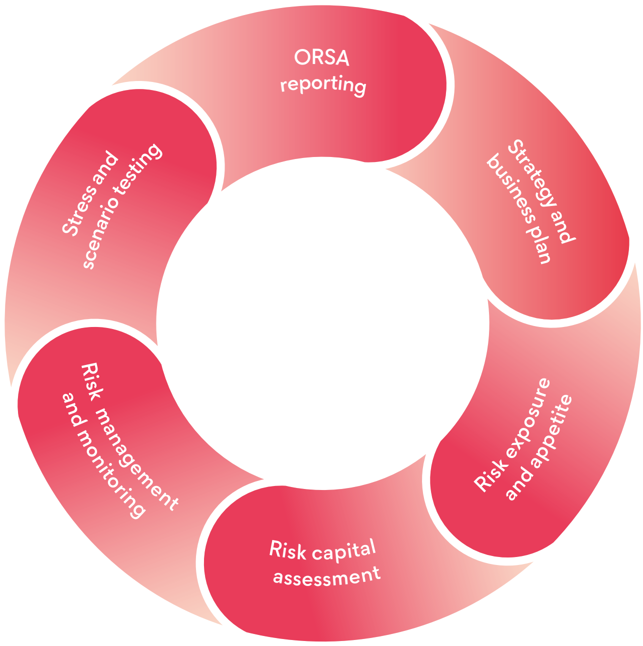
The ORSA plays an important role in supporting strategic decision-making and strategy development at the Group's Boards and management committees. It provides:

- a linkage between strategy, risk, capital and stress testing, as well as the effectiveness of management actions required to meet strategic objectives;
- processes to identify, assess, control and monitor risks that the Group faces;
- an understanding of current and potential risks to the business; including financial and non-financial risks under base and stressed scenarios;
- agreed appetite to accept these risks and how the Group manages them; and
- a forward looking, internal assessment of the Group's solvency position in respect of its risk profile and how it is likely to change given business plans and strategy, or due to changes in the external environment.

ORSA processes are run regularly throughout the year and operate within the Group's ORSA cycle outlined below. The Group's ORSA cycle brings together inter-linked risk management, capital and strategic processes.

- **Strategy and Business Plan** – Delivery of the strategy and business plan exposes the Group to risk.
- **Risk exposure and appetite** – The Board expresses appetite to risk it is willing to accept in pursuit of strategic and business plan objectives.
- **Risk Capital Assessment** – Capital requirements reflect the risk profile of the business.
- **Risk Management and Monitoring** – Risk policies manage the risks in line with appetite. Risk reporting provides ongoing oversight of risk exposures.
- **Stress and Scenario Testing** – A Group Stress and Scenario Testing programme provides insight into principal risks across a continuum of plausible stress environments.
- **ORSA reporting (including ORSA report)** – Provides a forward-looking assessment of the Group's risk and capital position in light of the outputs from key ORSA processes. The ORSA Report aims to inform strategic decision making, stress testing and strategy and business planning processes.

The Group's ORSA Report is reviewed and approved at least annually by the Boards of the Group and the insurance entities in scope of the Group's ORSA Policy. The Group has a waiver from the PRA to produce a single Group-wide ORSA report. PLAE and SLIDAC prepare standalone ORSA reports for the Central Bank of Ireland, though these ORSAs are incorporated into the Group ORSA report so that the Boards have visibility of the whole of the Group's risk profile.



B.3 Risk management system, including the own risk and solvency assessment continued

B.3.4. Risk Management and Internal Model Governance

With effect from 30 September 2021, the Group has used a PRA approved Internal Model to calculate the solo SCRs of Phoenix Life. This means that the capital the Group holds in respect of these entities reflects a harmonised view directly related to the risks to which these entities are exposed and takes account of the benefit from the risk management tools in place.

The Group currently uses a PRA approved Partial Internal Model to calculate the Group SCR, aggregating outputs from the Internal Model, SLIDAC's Partial Internal Model, and the Standard Formula calculations for the Sun Life UK entities, PLAE, ReAssure entities and Bermudan entities. An allowance is made for diversification between Internal Model entities and for diversification between Standard Formula entities. SLIDAC was granted approval to use its Partial Internal Model for calculation of the solo SCR in 2022, and an application to use a Partial Internal Model for SLIDAC within the Group Internal Model is in train.

The governance in place for the Internal Model ensures that it remains up to date and appropriate for use, for example via regular assessments of the risk environment as reported in the Group's ORSA processes. The MGC has specific roles and responsibilities in relation to the governance of the Internal Model on an ongoing basis. The Committee monitors the strategic direction and overall governance of the Internal Model and provides assurance to the relevant Board of its ongoing appropriateness, performance and effectiveness. Full details of the Committee's responsibilities are set out in its terms of reference.

The validation process which is used to monitor the performance and ongoing appropriateness of the Internal Model is carried out by the Group Financial Risk team. The output of this activity is presented to the MGC through quarterly validation reports. The process is as follows:

- All proposed Internal Model methodology changes are reviewed extensively within the first line before undergoing a robust second line independent review and challenge. The second line review conclusions are presented to the MGC alongside the first line proposal for approval.
- All methodology underlying the Internal Model is subject to a comprehensive periodic review within the first line. The second line will independently review the appropriateness of the conclusions following this process, as well as initiate their own periodic reviews. External expertise may be sought to add new insight into the review and challenge process.
- The Solvency II Pillar 1 balance sheet results are subject to second line independent challenge. In particular, the appropriateness of the SCR is considered from both a top-down and bottom-up perspective in order to provide an assessment of whether the SCR is materially reasonable, the Internal Model as a whole appropriately reflects the risk profile of the business, and the Internal Model is expected to operate effectively going forward.

B.4 Internal control system

B.4.1 Internal Control Framework

This section provides information on the material third party arrangements undertaken by the Group and details of the related policy.

The Group's Internal Control Framework places reliance on the effective operation of a 'Three Lines of Defence Model', which is outlined in section B.3.2.

The following key elements are required in order to ensure the effective operation of the Internal Control Framework thereby enabling all Three Lines of Defence to fully discharge their responsibilities:

- Control Objectives are defined within risk policies for each risk to ensure that there is a clear articulation of the aim or purpose of a control (or suite of controls) in managing the risk within its defined risk appetite.
- Key Controls: The identification of the key controls within the business that meet the control objectives.
- Self-assessment: The assessment of the operating and design effectiveness of each Key Control is performed quarterly by designated control owners in accordance with the Risk and Control Self-Assessment ('RCSA') process.
- Control Testing: is a process used to assess whether Key Controls are adequately designed to manage and mitigate the risks and control objectives to which they are associated, and that they are operating effectively in line with the defined risk appetite. Control Testing operates alongside other control assessment and assurance activities to support the confirmation on the effectiveness and efficiency of the operational control environment and identification of any weaknesses, or opportunities for improvement.
- Control assurance program: Implementation of a proportionate programme of independent controls assurance activity by the First Line supported by further risk review by and assurance activity in the Second and Third Lines:
  - Second Line – risk reviews that provide independent assurance regarding First Line adherence to the RMF and effectiveness of the Internal Control Environment, and sample testing of integrity of completed Key Control assessments;
  - Third Line– independent assessments to provide assurance that all significant risks have been identified and appropriately reported and opining as to whether they are adequately controlled.
- Risk and Control Management Information reporting: Reporting on inherent and residual risk profiles and Key control performance to provide assurance to stakeholders confirming that controls are operating as expected or highlighting exceptions as required. This in turn enables the data to be incorporated and referenced in risk reporting to appropriate management committees and Boards.

Each of these elements is an integral part of the Group's RMF (see section B.3.2), in particular Risk Appetite; Governance and Organisation; Risk Policies; and Risk & Control Processes and Reporting.

B.4 Internal control system continued

B.4.2 Compliance Function

The Compliance Oversight requirements of the Compliance function are delivered by the Conduct and Compliance team which sits within the Group Risk function. This is an independent function in the Second Line and provides assurance to the Boards that the Group is operating within a compliant framework. Whilst compliance with regulation remains the responsibility of senior management assigned to specific roles, the Conduct and Compliance function ensures that the appropriate mechanisms exist to support management in discharging their responsibilities to this end.

The Conduct and Compliance team is further split into six sub-teams with responsibilities as follows:

- **The Compliance Assurance team** provides assurance through its annual Compliance Assurance plan, which is developed through a risk-based approach and approved by the relevant Board Risk Committee. The team also sets, tracks and reports on improvement actions arising from its assurance reviews. Outcomes are reported on a quarterly basis to the Board Risk Committee.
- **The Customer Risk, Policy and Guidance team**:
  - Leads the process to identify and assess regulatory developments through horizon scanning activity;
  - Provides advice, guidance and support to business areas and projects, and to support any proposition development activity;
  - Supports engagement with the regulators, and oversees regulatory reporting;
  - Provides reporting on the effectiveness of conduct and compliance risk management across the Group.
- **The Senior Manager and Certification Regime (SM&CR) and Individual Conduct team**
  - Maintains an effective and compliant SM&CR Framework. This includes providing support tools and documents for SMFs and key stakeholders, maintaining quarterly Management Responsibility Maps and monitoring and acting on SMCR changes within the Group,
  - Provides input and support to projects in relation to SM&CR and Individual Conduct,
  - Produces twice-yearly Chief Risk Officer report to the PGH Remuneration Committee as well as the Line 2 view of Group AIP and local incentive schemes,
  - Provides regulatory SME advice and guidance to HR and the business on key activities including potential breaches of Code of Conduct and the Individual Conduct Rules, the identification of Material Risk Takers and Certified Function Holders, the Group Training & Competence framework and the Group's Diversity, Equity & Inclusion strategy and implementation.
- **The Strategic Partner Oversight team** carries out continuous oversight of the Group's outsource service providers ('OSP') and strategic partners; oversees, manages, and supports the conduct and compliance risks associated with strategic change activity for OSP and strategic partners; and supports the delivery of Second Line services in relation to the Group's outsourced arrangements and the operation of its strategic partnerships.
- **The Asset Management Compliance team** provides advice, guidance and oversight of regulatory compliance, customer and conduct matters in respect of the Group's asset management activities,
- **The Lifetime Mortgages Team** oversees and support Phoenix Group's strategic approach to Equity Release and Lifetime Mortgages and diversification of funding in other lending products.

There is a separate compliance team and SMF16 for SunLife Limited that provides regulatory guidance, advice and challenge in respect of the regulated activities of SunLife Limited and those of its strategic partners. Oversight of Financial Promotions is operated on a risk-assessed basis.

B.5 Internal audit function

The primary role of the Phoenix Group Internal Audit ('PGIA') function is to support the Board and Executive Management to protect the assets, reputation and sustainability of the organisation. This is achieved by assessing whether all significant risks are identified and appropriately reported, assessing whether they are adequately controlled and challenging Executive Management to improve the effectiveness of governance, risk management and internal controls.

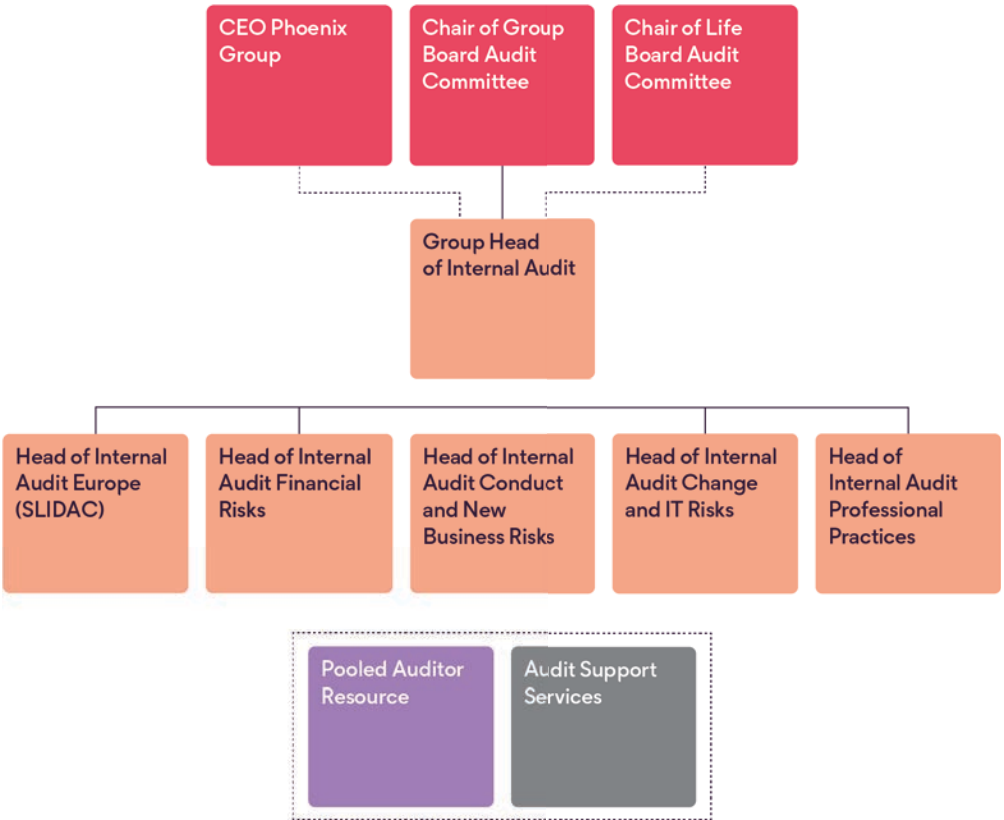
PGIA operates in compliance with the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing. Furthermore, PGIA adheres to the IIA's Code of Ethics, Guidance on Effective Internal Audit in the UK Financial Services Sector and Internal Audit guidance provided by the European Confederation of Institutes of Internal Audit (ECIIA).

The full Internal Audit Charter can be found on the governance pages of the Group's website:

GIA Charter 2024 (https://www.thephoenixgroup.com/media/ogmb4jfb/gia-charter-2024.pdf)

B.5.1 Structure of Internal Audit

A summarised structure chart for the Phoenix Group Internal Audit function as at 31 December 2023 is shown below:



B.5.2 Roles and Responsibilities of Internal Audit

PGIA's scope is unrestricted and there are no aspects of the organisation which PGIA is prohibited from auditing. Key business risk areas and industry themes, identified both internally and externally, are prioritised to receive more extensive coverage, regular ongoing review and opinion formation.

The function has a number of responsibilities, including the following:

- Production of Internal Audit plans: PGIA plans, and material changes to plans, are approved by the Group Board Audit Committee ('BAC') (further details on the Committee are included in Section B.1.8). Plans have the flexibility to deal with unplanned events to allow PGIA to prioritise emerging risks. Changes to the audit plan are considered through PGIA's ongoing assessment of risk. In setting its plans, PGIA takes into account business strategy, risk and control culture. PGIA forms an independent view of whether the key risks to the organisation have been identified, including emerging and systemic risks, and assesses how effectively these risks are being managed. PGIA's independent view is informed, but not determined, by the views of Management and the Risk function. In deciding the audit plan, PGIA focuses on areas where it considers risk to be higher and will not necessarily cover all risk universe scope areas every year.
- Oversight of Outsourced Internal Audit functions: For material Outsourced Service Providers ('OSPs'), PGIA operates a risk-based oversight model for the more material arrangements, where a contractual audit service is received, to ensure the activities of the outsourced Internal Audit functions meet PGIA standards (which are aligned to Chartered Institute of Internal Audit standards).

B.5.3 Reporting

PGIA attend, and issue reports to the Group and Life Company BACs (see section B.1.4) and any other governing bodies and Board committees as appropriate. In addition, PGIA contribute to Solvency II Pillar 3 Reporting

PGIA's reporting to the Group BAC includes significant control weaknesses, root-cause and relevant 'lessons learned' analysis, themes and a view on the adequacy of management's remediation plans. Bi-annually, PGIA provides an opinion on the strength of the design and operation of the Risk Management/Internal Control Framework and adherence to the risk appetite framework across the business.

B.5 Internal audit function continued

B.5.4 Independence and Objectivity of the Internal Audit Function

In order to maintain its independence and objectivity from the activities it reviews, PGIA ensures the following:

- The Group Head of Internal Audit ('GHIA') reports to the Group BAC (through the Chair) and administratively to the Chief Executive Officer ('CEO'). The GHIA is supported by a Head of Internal Audit for SLIDAC ('SLIHIA'), whose primary focus is Phoenix's European business.
- Where the GHIA's tenure exceeds seven years, the Group BAC will explicitly assess independence and objectivity annually. The Group BAC Chair is the final approval point for recommendations made by the CEO regarding the performance objectives, appraisal, appointment or removal of the GHIA, as well as the overall compensation package of the GHIA which is further ratified by the Remuneration Committee ('RemCo').
- The remuneration of the GHIA, the SLIHIA and audit staff is structured in a manner such that it avoids conflicts of interest, does not impair independence and objectivity and is not directly or exclusively linked to the short term performance of the organisation.
- The GHIA ensures that PGIA remains free from anything that impacts its ability to carry out its responsibilities in an unbiased manner.
- PGIA has the right to attend and observe all or part of Executive Committee meetings and any other key management decision-making fora. It also has the right to sufficient and timely access to all Board and Executive management information and a right of access to all of the organisation's records, necessary to discharge its responsibilities.
- Effective Risk Management, Compliance and other assurance functions are an essential part of the Group's corporate governance structure. PGIA is independent of these functions and is neither responsible for, nor part of, them. In evaluating the effectiveness of internal controls and risk management processes, in no circumstances does PGIA rely exclusively on the work of these other assurance providers. PGIA exercises informed judgement as to when to leverage the work of other assurance providers and always examines for itself an appropriate sample of the activities under review, after a thorough evaluation of the effectiveness of other assurance providers' work in relation to the area under review.

It is acknowledged that PGIA may also be asked, by the Board or Executive Management, to provide consultancy, advisory and/or undertake investigative assignments on a range of focused or holistic matters such as ethics, risk culture or tone within the organisation. In these circumstances, the results of any such activities would be shared with the Audit and/or Risk Committees and specifically with the Chair of the Group BAC, regardless of the origin of such request.

PGIA co-operates with the Group's nominated External Auditors, generally through the sharing of planning information and audit results.

The GHIA, and other senior managers within PGIA, have an open, constructive and co-operative relationship with regulators, which supports the sharing of relevant information.

B.6 Actuarial function

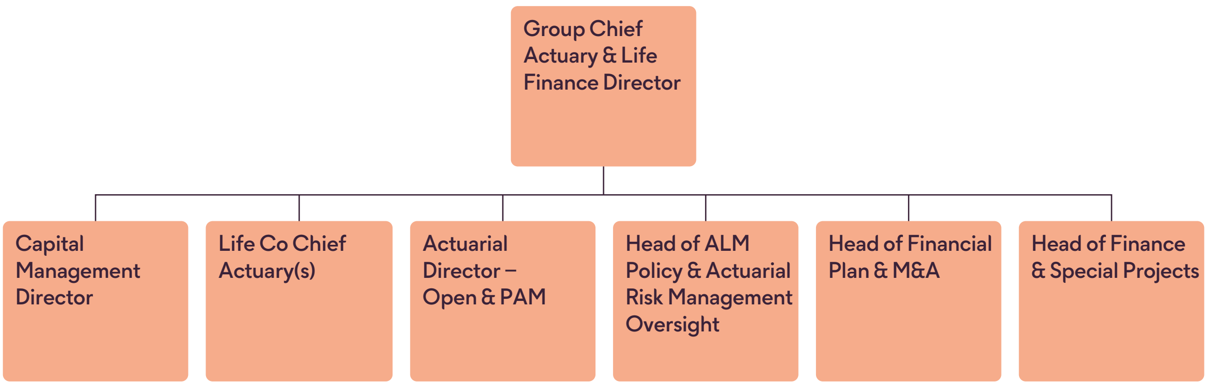
B.6.1 Organisational Structure

During the year to 31 December 2023, the Actuarial Function within the Group was led by the Group Chief Actuary & Life Finance Director and referred to as the Actuarial & Capital Management Department.

The Actuarial & Capital Management Department provides a range of actuarial services and advice to the management teams and boards of the insurance subsidiaries (excluding SLOC) and PGH. SLOC had a separate Actuarial Function providing actuarial services and advice to the management of SLOC through a hybrid in-house and outsourced team. The SLOC Chief Actuary held the SMF20 function for SLOC. Some of the key teams and roles and responsibilities explained in B.6.2 and B.6.3 below are performed by the outsourced team with oversight from the SLOC Actuarial Function.

Changes to the structure of the Actuarial Function took place from 1 April 2024 to harmonise the services provided by the Actuarial & Capital Management Department and the SLOC Actuarial Function, including a change in the SLOC Chief Actuary.

A structure chart for the Actuarial & Capital Management Department at 31 December 2023 is provided below.



Notes:

1 The Life Company Chief Actuaries hold the SMF20 function for PLL, PLAL, SLAL, SLPF, RAL and RLL.
2 'PAM' in the structure chart above indicates Phoenix Asset Management
3 'ALM' in the structure chart indicates Asset Liability Management
4 'M&A' indicates Mergers and Acquisitions

B.6 Actuarial function continued

B.6.2 Key team roles within the Actuarial Function

A summary of the role of each team within the Actuarial & Capital Management Department is outlined below.

Capital Management

The teams described in this sub-section are led by the Capital Management Director.

Capital & Liquidity risk team

The Capital & Liquidity team's role is to ensure the policies, framework and methodology used to assess and manage solvency and liquidity are robust and fit for purpose. The team owns the recommendation of the associated risk appetites and affordability assessments across the Group and life companies. This team also supports key projects and initiatives on behalf of capital management.

Commercial Balance Sheet Management team

The Commercial Balance Sheet Management team focuses on optimisation of entity level balance sheets in order to deliver against our financial objectives, driving entity level management actions, recommending dividend proposals and supporting a range of key inputs to the annual operating plan and pricing. This team also supports key projects and initiatives on behalf of capital management.

Group Capital Modelling team

The Group Capital Modelling team covers all the Group's capital models including Partial Internal Models, Standard Formula models, Pillar 2 modelling, Individual Capital Assessment ('ICA') modelling and the evolving International Capital Standards regime.

The Group Capital Model team works with other teams within the business to ensure that the Phoenix Partial Internal Model remains in line with the PRA-approved model. This includes managing the regulatory approval process for any changes required to models, methodology and reporting processes in line with the latest regulatory and industry requirements.

In particular, the team recommends the methodology for calculating Solvency II regulatory capital and co-ordinates an opinion on the adequacy and reliability of the Technical Provisions.

This team is also responsible for the Internal Model market stress calibrations.

Insurance Risk and Reinsurance Oversight team

The Insurance Risk team is involved in all areas of managing longevity, mortality, persistency and morbidity risk, which also includes calibrating the Internal Model stresses for these risks. Longevity and persistency risk are key risks to which the Group is exposed and effective management of these is critical to meeting the Phoenix Group's objectives.

The team ensures appropriate management of insurance risk by developing a risk management strategy, conducting experience investigations, setting best estimate and Solvency II stress assumptions and reporting and oversight of activities in other functions relating to insurance risk.

The Reinsurance Oversight team maintains oversight of key reinsurance risks to which the Group is exposed. The team ensures the in-force treaties operate effectively and provide the intended risk mitigation. The team is accountable for the Reinsurance Strategy on behalf of the life companies.

Capital Management Change & Integration team

The Capital management Change & Integration team leads the Major Model Change programmes. A key feature of this team's role is interacting with the Open Actuarial team (described in the sections below).

ALM Policy & Actuarial Risk Management Oversight Team

This team is led by the Head of ALM Policy & Actuarial Risk Management Oversight.

The ALM Policy & Actuarial Risk Management Oversight team ensure that suitable frameworks are in place and that there is appropriate oversight of the Group's end to end ALM. The increase in scale and complexity of the balance sheet in recent years has led to more requirements in these areas.

Financial Plan and M&A Team

This team is led by the Head of Financial Plan and M&A.

The Financial Plan and M&A team provides support to strategic activity across the Group. In particular the team supports M&A activity and financial delivery of the annual operating plan.

LifeCo Chief Actuaries

The LifeCo Chief Actuaries have key regulatory accountabilities as the SMF20 role holders for the life companies, along with broader financial and risk management objectives as part of their Phoenix role profiles.

Head of Finance and Special Projects

The Head of Finance and Special Projects works on our affiliated Group transactions, including Phoenix Re, assisting in setting up the requisite finance oversight for these transactions.

Open Actuarial

The teams described in this sub-section are led by the Actuarial Director for Open and PAM.

Credit Modelling team

The Credit Modelling team provides subject matter expertise on credit risk and leads on methodology and model development in that area. This includes model development to support investment in specialised lending and illiquid asset classes. It works with teams across the business to ensure that Solvency II aspects of credit investments are appropriately considered and in line with regulatory standards.

This team also is responsible for the Internal Model credit risk and equity release risk calibrations.

Structuring and Actuarial for Mortgage Solutions team

The Structuring and Actuarial for Mortgage Solutions team provides subject matter expertise to enhance our mortgages and Equity Release Mortgages (ERM) capability. The team drives the end to end technical work for this important customer proposition and asset class.

Matching Adjustment team

The Matching Adjustment team oversees Matching Adjustment compliance, supports expansion of our Matching Adjustment approvals and challenges overall Matching Adjustment efficiency.

Senior Credit Risk Director

The Senior Credit Risk Director provides subject matter expertise that supports actuarial and commercial considerations in connection with mortgages, credit and Matching Adjustment.

Longevity Sciences Director

The Longevity Sciences Director drives forward the Group's longevity strategy working closely with our reinsurance and underwriting teams as we build enhanced annuity capability.

Commercial and Proposition Business Partner

The Commercial and Proposition Business Partner provides the actuarial and capital management input to the newly formed Commercial function in Retirement Solutions with particular focus on optimisation through framework development, management actions and support for strategic initiatives such as Phoenix Re and to provide business partnering to the proposition teams in the Open division. The role is a key interface between Retirement Solutions and the wider Actuarial and Capital Management team.

B.6 Actuarial function continued

B.6.3 Key responsibilities of the Actuarial Function under Solvency II

The key responsibilities of the Actuarial function under Solvency II are to:

- derive best estimate demographic and expense assumptions from experience investigations;
- inform stakeholders about the reliability and adequacy of the calculation of technical provisions;
- express an opinion on the adequacy of reinsurance arrangements;
- express an opinion on the overall underwriting policy;
- ensure processes are in place to escalate any breaches of the Solvency Capital Requirement ('SCR') capital policy and identify remedial actions; and
- contribute to the implementation of key parts of the Phoenix RMF (see section B.6.6).

Reliability and adequacy of technical provisions

The Actuarial & Capital Management Department plays a critical role in determining the technical provisions across the following key areas:

- methodology;
- data;
- assumptions;
- calculations; and
- validation.

Ultimately, the Actuarial & Capital Management Department is responsible for presenting the final technical provisions results to the Boards for approval.

The Actuarial & Capital Management Department is responsible for overseeing the calculation of technical provisions which are performed by the Financial Reporting Centre. The role of the Financial Reporting Centre and its interaction with the Actuarial & Capital Management Department is summarised briefly below.

The Financial Reporting Centre is responsible for ensuring the technical provisions have been calculated in accordance with methodology specified by the Solvency II regulations. As part of this work the Financial Reporting Centre are responsible for:

- updating methodology in line with any changes in regulations with subsequent oversight provided by Actuarial & Capital Management;
- running the models and processes used to calculate the technical provisions;
- the accuracy and reliability of liability data and asset data required to calculate the technical provisions;
- initial review of the technical provision results, and understanding key drivers for changes since the previous valuation; and
- operation of validation controls, such as profit and loss attribution, and comparison of actual results with projected results from the solvency monitoring process.

The Actuarial & Capital Management Department reviews and challenges the technical provisions produced by the Financial Reporting Centre and reports on the reliability and adequacy of these to the Boards. The appropriateness of the technical provisions for use in the balance sheet is assessed by carrying out a detailed review of the technical provisions, which may include studying the control reports and analysing the profit and loss attribution.

B.6.4 Reinsurance arrangements

The Actuarial & Capital Management Department is responsible for forming an overall opinion on the adequacy of reinsurance arrangements. This is to ensure that existing arrangements operate effectively and provide the intended risk mitigation. It also includes the monitoring of the credit quality of reinsurance counterparties.

This opinion is largely guided by the oversight responsibilities and activities performed by the Group's Reinsurance Management Committee ('RMC'). The RMC conducts annual reviews of the reinsurance strategy with consideration given to risk limits, risk profile and effectiveness of risk transfer. The RMC may propose changes to reinsurance arrangements consistent with the risk appetite developed and adopted by the Group.

B.6.5 Underwriting policy

The Actuarial & Capital Management Department is also responsible for forming an overall opinion on the underwriting policy. This is to ensure that the underwriting policy and practices in place are appropriate to the risk appetite of the Group and that the technical provisions are determined in a consistent manner.

This opinion is largely guided by the oversight responsibilities and activities performed by the New Business and Pricing Committee and the key controls imposed by the Group's insurance risk policy.

B.6.6 Contribution to the risk-management system

The Actuarial & Capital Management Department contributes to the implementation of key parts of the Phoenix Group's RMF, including:

- methodology to calculate the Internal Model SCR;
- on-going development of the Internal Model;
- review and challenge of the calculated SCR results;
- on-going management of risks faced by the insurance subsidiaries and Group by considering capital policy, asset/liability matching and investment strategy;
- managing and monitoring the insurance subsidiaries balance sheets; and
- developing, reviewing, and implementing management actions that may be called upon to improve the financial soundness of the Life Companies and the Group.

The Chief Actuary and other senior members of the Actuarial & Capital Management Department also sit on or chair a number of key internal governance committees.

This role within the governance process ensures the Actuarial & Capital Management Department is well placed to contribute to the development, monitoring and improvement of the Group's risk management system.

B.6.7 Risk & Governance

The Governance & Risk team provide support to the Life Company Chief Actuaries and the Actuarial management teams through provision of assurance over the effectiveness of the RMF, Governance and Internal Controls operated within the Actuarial Function. This is achieved through delivery of Line 1 assurance reviews and other activities which include:

- developing and implementing a Line 1 Assurance Methodology with the objective of identifying key areas of control weakness and/or operational inefficiencies and rectifying recommendations. These reviews can be relied upon by Lines 2 and 3 thus avoiding duplication;
- supporting refresh of policies owned by the Chief Actuary;
- assessing, tracking and reporting on rectification actions for risks reported outside of appetite/policy controls rated below satisfactory;
- assisting in the development and monitoring of appropriate Key Risk Indicators; and
- tracking and reporting on key assurance actions that are owned by or impact the Actuarial & Capital Management Department.

B.6.8 Reporting of Actuarial department activities to the Boards

The key tasks undertaken by the Actuarial & Capital Management Department and the SLOC Actuarial Function are reported to the Boards and other key stakeholders annually in the 'Actuarial Function Report'.

This report describes the results and outcomes of the key tasks performed by the Actuarial & Capital Management Department and the SLOC Actuarial Function, along with any material deficiencies arising from them, and highlights where further details can be found regarding recommendations made to address any material deficiencies.

B.7 Third Party Management

This section provides information on the material third party arrangements undertaken by the Group and details of the related policy.

The Group use a range of external third parties to provide material services as part of the Group's strategy to manage risks, reduce costs and focus on core capabilities.

B.7.1 Third Party Relationships

One of the Group's key strategic decisions is to use third parties who deliver a range of material services. All third parties are carefully selected following appropriate due diligence.

The Group operates a third party management framework, which is a defined control within the Third Party Management Policy detailed in section B.7.2 below. The Third Party Management Framework requires that all providers of services are categorised based upon their risk and materiality to the business. The Policy details the mandatory and key controls which the Group is required to operate in establishing and overseeing third parties, with particular focus on those who are deemed to be Material as per the Supervisory Statement SS2/21 Outsourcing and third party risk management'. The Group defines its strategic partners for those who are essential to the Group's future growth ambitions. Furthermore, critical suppliers are also identified as those who remain essential in supporting the Group's operating model. Strategic and Critical third parties receive enhanced oversight and benefit from an SME to SME engagement model within our Third Party Framework. The contracts for Strategic and Critical third parties fully define the obligations to the Group.

A Third Party Contingency Framework is also in place which recognises that there are risks associated with third party failure/default for which the Group may be accountable. This framework is reviewed on an annual basis and outputs of any reviews are shared with the FCA, upon request.

The Third Party Management also defines the criteria and processes for the way in which sourcing solutions are evaluated, how third parties are selected, arrangements are implemented, and third parties are managed.

Every third party to Phoenix is categorised in accordance with the illustration below. The Third Party Management Framework sets out a consistent approach for the Sourcing and Procuring of services across Phoenix whilst recognising the need for flexibility in its application (due to the varied range of goods and services procured). In order to understand the extent to which the framework can be flexed, all third parties of service are categorised in accordance with the illustration below.

The strategically important third parties have scale and common processes, often across multiple clients, which provide several benefits for the Group, including reducing investment requirements, improving the technology used within the administrative capability, and reducing operational risk.

Some specialist roles such as Finance, Actuarial, Risk and Compliance and oversight of the third parties are retained in-house, ensuring the Services Companies and Life Companies retain full control over the core capabilities necessary to manage and integrate life funds.

The services provided across the Group's strategic and critical third parties are as follows:

B.7.1.1 Management Services Agreements ('MSAs') with Service Companies

The Service Companies are responsible for providing the Group's UK insurance subsidiaries (via intragroup arrangements) with all required management services.

Detail of who the Group's strategic and critical third parties are can be provided upon request.

B.7.1.2 Policy administration

Third Parties are used which provide the Group with full policy administration for policyholders including:

- call centre handling;
- policy servicing; and
- claims handling.

Policy administration services are operated by third parties who are principally UK based, with some third parties having supporting offshore locations.

B.7.1.3 Fund accounting and Investment Management

Third Parties are used which provide the Phoenix Group with:

- Fund accounting and custody services; and
- Investment management of assets owned by the Life Companies under agreed Investment Management Agreements and associated mandates.

Investment, fund accounting and custody services are all operated by third parties who are principally UK based, with some third parties having supporting offshore locations.

B.7.1.4 Other relationships

A number of third parties operate and deliver core systems, capabilities and processes across a number of categories including IT, customer services, finance, Bulk Purchase Annuities, actuarial services and HR.

B.7.2 Third Party Management Policy

Sourcing is the structuring of the supply base, including the evaluation, selection, implementation and management of third parties to support the operating model of the organisation and key functions, Procurement is the acquisition of goods or services to meet specific business needs and the creation of commercial and legal agreements to fulfil specific requirements.

The Group has a Third Party Management Policy in place which seeks to manage sourcing and procurement risk, which is defined as the risk of reductions in earnings and/or value through financial or reputational loss associated with a Third Party, or managing material intragroup arrangements to provide the service required by the Group (either through their own organisational failure, or simply substandard performance).

The Policy covers the Group's control objectives which are to be adhered to when evaluating, selecting, implementing and managing third parties in order to ensure risk is managed appropriately. The Policy also contains the key risks associated with third party management and the controls in place to mitigate those risks to within an acceptable risk appetite. This aligns with the Risk and Control Framework operated across the Group to manage risk. Further details on the Risk and Control Framework can be found in section B.3.

B.7.3 Board oversight

Management oversight committees are in place to oversee strategic and critical third parties, with related reporting produced and presented.

Risk and control reporting against third parties is reviewed and approved by the relevant forum on a monthly basis.

B.8 Any other information

B.8.1 System of Governance – assessment of adequacy

The Group's System of Governance, noted throughout section B, remains adequate given the nature, scale and complexity of risks inherent in the business. This assessment is primarily based on:

- Group Risk conducts a bi-annual assessment of the effectiveness of each function in the business in adhering to the requirements of the RMF, the outcome of which is presented to the Group Board Risk Committee. The assessment for year end 2023 concluded that the RMF is well-embedded and operating effectively within the Group. This assessment allows for the Group's nature, scale and complexity of risks, where the risks inherent in the business are reported to the Board regularly.
- The Group's Own Risk and Solvency Assessment processes are embedded within the organisation and used as a key tool for business decision-making, with the Board actively engaged throughout.
- As noted in B.3.4, the Group has an Internal Model for the UK insurance entities of Phoenix and Standard Life. Appropriate governance is in place for the Internal Model to ensure that it remains up to date and appropriately reflects the risk profile of the business.
- Company Secretariat maintains a Corporate Governance Policy, which assesses the adherence of the Group's Solvency II entities with their relevant codes of governance on at least an annual basis; this also includes conducting annual board effectiveness reviews (as required).

There is no further material information to be disclosed regarding the system of governance beyond the information disclosed in section B.

In this section

Risk profile

Risk profile

This section provides information on the risk profile of the Group and its Life insurance subsidiaries, including for each category of risk, a description of the risks, a description of the measures used to assess these risks, material risk exposures, concentrations and risk mitigation techniques.

Section B.3 sets out the risk management system including information on how the Risk Management Framework is implemented and integrated into the organisational structure and decision-making processes of the Group and its Life insurance subsidiaries.

Sensitivity analysis for each category of risk is also provided for the Group and its main insurance subsidiaries, PLL, RAL, RLL and SLOC, which have large insurance balances at group level.

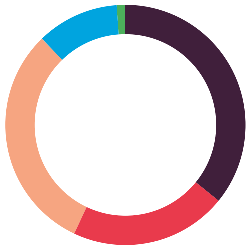
To show an indicative PGH Group view, (where relevant) the underlying tables within this section present the risk profile of the Group's insurance subsidiaries. The Group uses a PRA approved Internal Model covering the Phoenix Life entities (excluding SLIDAC).

The risk capitals are calculated on the Internal Model together with Standard Formula components for SLIDAC, PLAE, SLOC, PRL and the ReAssure entities, each with different stress calibration assumptions and methodologies. PA(GI) is within the scope of the Internal Model.

The PGH Group SCR is determined on a Partial Internal Model basis and capital requirements calculated under the Internal Model and Standard Formula are aggregated in determining the Group position, with no further allowance for diversification between the Internal Model and Standard Formula entities.

The chart and table below gives an indicative exposure of the overall risk profile for the PGH Group. It shows a high-level view of the composition of the PGH Group undiversified SCR by aggregating the risk profiles for each entity across the different risk types using a simple pro rata approach. As at 31 December 2023, SLAL and SLPF's SCR is £nil.

Risk Profile



Underwriting risk	36%
Market risk	21%
Credit risk	31%
Liquidity risk	–
Operational risk	11%
Other risks	1%

The undiversified regulatory SCR of the underlying insurance subsidiaries is presented below.

Risk profile of insurance subsidiaries and the Group	Section reference	PLL	PA(GI)	PGH Group Internal Model	RAL	RLL[1]	SLIDAC	SLOC	PGH Group Standard Formula	PGH Group
Underwriting risk	C.1	31%	–	30%	46%	–	44%	61%	53%	36%
Market risk	C.2	22%	–	22%	22%	17%	31%	19%	17%	21%
Credit risk	C.3	35%	–	34%	27%	53%	16%	11%	23%	31%
Liquidity risk	C.4	–	–	–	–	–	–	–	–	–
Operational risk	C.5	12%	100%	12%	5%	30%	9%	9%	7%	11%
Other risks	C.6	–	–	2%	–	–	–	–	–	1%
Total		100%	100%	100%	100%	100%	100%	100%	100%	100%

1 Although credit risk for RLL in percentage terms appears very high, in absolute terms, RLL has very low risk of any type.

The Group and its Life insurance subsidiaries are generally exposed to similar risks although the extent of exposures varies depending on the Line of business ('LoB') underwritten by the insurance undertaking and the asset portfolios held.

Sections C.1 to C.6 set out, for each of the risks, a description of the material risks to which the Group and its Life insurance subsidiaries are exposed, the risk measurement techniques used to assess these risks, risk concentrations, and a description of risk mitigation techniques used for mitigating these risks. Section C.7 sets out the results of stress testing and sensitivity analysis for material risks.

The Group and its Life insurance subsidiaries do not hold SCR for liquidity risk, as explained further in section C.4.2. More details regarding the SCR are set out in section E.

C.1 Underwriting risk

C.1.1 Risk exposure

This section describes the underwriting risk exposures of the Phoenix Group for the year ended 31 December 2023.

Underwriting risk refers to the risk that the frequency or severity of insured events may be worse than expected and includes expense risk. Contracts underwritten within the Group include the following sources of underwriting risk:

Risk source	Description
Mortality risk (including catastrophe risk)	Higher than expected number of death claims on assurance products, lower than expected improvement in policyholder mortality or occurrence of one or more significant claims.
Longevity risk	Lower than expected number of deaths experienced on annuity products or greater than expected improvements in annuitant mortality
Morbidity/Disability risk	Higher than expected number of inceptions on critical illness or income protection policies and lower than expected termination rates on income protection policies
Expense risk	Unexpected timing or value of expenses incurred.
Persistency risk	Adverse movements in either surrender rates, premium paying rates, cash withdrawal rates, guaranteed annuity option ('GAO') take-up rates, surrender rates, policyholder retirement dates, the propensity to commute benefits, transfer out rates or the occurrence of a mass lapse event
New Business pricing risk	Inappropriate pricing of new business that is not in line with the underlying risk factors for that business

The table below shows the split of the undiversified SCR in respect of underwriting risk.

Components of underwriting risk	PLL	PA(GI)	PGH Group Internal Model	RAL	RLL	SLIDAC	SLOC	PGH Group Standard Formula	PGH Group
Longevity risk	35%	–	36%	26%	–	6%	15%	20%	31%
Lapse risk (including persistency risk)	36%	–	36%	60%	–	68%	51%	59%	43%
Other life underwriting risk	29%	–	28%	14%	–	26%	34%	21%	26%
Total underwriting risk	100%	–	100%	100%	–	100%	100%	100%	100%

RLL holds no risk capital in respect of underwriting risk as all underwriting risk is transferred via reinsurance either through external reinsurance arrangements or through an intra-group reinsurance agreement that is in place with RAL.

In addition to exposure arising from contracts underwritten by the insurance subsidiaries, the Group is also exposed to longevity risk arising from the Pearl Group Staff Pension Scheme ('Pearl Scheme'), the PGL Pension Scheme ('PGL Scheme'), the Abbey Life Assurance Company Limited Staff Pension Scheme ('Abbey Life Scheme'),the ReAssure Staff Pension Scheme ('ReAssure Scheme') and the Sun Life Assurance Company of Canada 1988 UK and Irish Employee Benefits scheme ('Sun Life of Canada Scheme'). For the PGL Scheme and Pearl Scheme, longevity risk has transferred to PLL through a series of buy-ins.

During the year ended 31 December 2023, the key changes to underwriting risk exposure include:

- the update of longevity, mortality and persistency assumptions to consider portfolio and population experience up to 31 December 2023 and the latest views on future trends, resulting in an overall release of longevity risk reserves and capital and an increase in mortality risk reserves and capital;
- an external longevity swap with Partner Re on £2.5 billion of in-force RAL annuities which reduced overall longevity exposure;
- the successful acquisition of Bulk Purchase Annuity books, however most resulting longevity exposure is reinsured externally;
- in addition, continued increases in yields over the year has reduced the overall exposure to insurance risks;
- there remains uncertainty around future demographic experience as a result of COVID-19. Demographic experience and the latest views on future trends continue to be considered in regular assumption reviews although, for most products; experience over the COVID-19 pandemic (i.e. 2020 and 2021) has still been given little weight given the one off nature of this event.

C.1.2 Risk measurement

The Group uses several methods to assess and monitor underwriting risk exposures both for individual types of risks insured and the overall risks. These methods include the use of a PRA-approved Internal Model, experience analyses, external data comparisons, sensitivity analyses, scenario analyses and stress testing. For the purpose of determining Group regulatory capital, PLAE, SLOC and ReAssure insurance entities use a Standard Formula basis. RAL maintains a legacy Partial Internal Model for determining an internal economic capital view, which is used to inform business decisions only. SLIDAC uses a Partial Internal Model with a bespoke model for Counterparty Default risk and Operational risk. An application to make corresponding changes to the Group Internal Model for SLIDAC is in train.

The risk capital requirement for underwriting risk is assessed using the Group's Partial Internal Model, which is calibrated to withstand a stress event to a 99.5% confidence level over a one-year period.

As at 31 December 2023, underwriting risk represented 36% of the Group's total undiversified SCR as shown in the chart at the beginning of section C.

C.1.3 Risk concentration

The Group is not exposed to any material concentration of underwriting risk. For all underwriting risks described above, the Group's exposure is spread across a diversified portfolio of products with approximately 12 million individual policyholders. No individual policyholder contract size is large enough to represent a material concentration as a proportion of the Group's total risk exposure.

C.1 Underwriting risk continued

C.1.4 Risk mitigation

The Group seeks to manage exposure to underwriting risk by establishing Control Objectives and Key Controls within its Risk Policy. Risk appetite statements have been established for underwriting risks and the risk exposures are monitored against agreed limits.

The ongoing effectiveness of insurance risk mitigation is monitored on a regular basis by the Enterprise Finance and Capital Committee ('EFCC'), except for SLOC, which operates separate governance.

The mitigation of underwriting risk through reinsurance and other forms of risk transfer is used to manage the overall level of exposure to underwriting risk.

As at 31 December 2023, the Life Companies and the Group held the following reinsurance recoverable balances.

	Reinsurance recoverables £m	Largest counterparty
PLL	14,722	Legal & General Assurance (Pensions Management) Limited
RAL	251	Swiss Re Europe S.A
RLL	234	Swiss Re Europe S.A.
SLOC	1,559	Sun Life Assurance Company of Canada
Other[1]	(557)	–
PGH Group	16,209	Legal & General Assurance (Pensions Management) Limited

1 Other includes Irish entities SLIDAC and PLAE with their largest reinsurance recoverables counterparty being the other Group insurance subsidiary PLL and other consolidation items in respect of intra-group reinsurance arrangements.

The majority of the underwriting risk that has been ceded relates to annuitant longevity risk, which has been transferred by a mixture of conventional reinsurance treaties and longevity swaps.

The ongoing effectiveness of the reinsurance ceded externally by the Group's Life Companies is monitored on an ongoing basis by the Reinsurance Management Committee ('RMC').

C.1.5 Sensitivity analysis

As part of the Group's internal risk management processes, the impact of a number of underwriting risk scenarios on the SCR is monitored. The results of such stress testing on the Group's SCR and each main insurance subsidiary's SCR are provided below.

	PLL		RAL		RLL		SLOC		PGH Group	
	SCR (£m)	Regulatory Ratio (%)	SCR (£m)	Regulatory Ratio (%)	SCR (£m)	Regulatory Ratio (%)	SCR (£m)	Regulatory Ratio (%)	SCR (£m)	Regulatory Ratio (%)
Base: 1 January 2024[1]	**(5,122)**	**155%**	**(1,342)**	**199%**	**(18)**	**1,436%**	**(174)**	**170%**	**(7,210)**	**154%**
Following 6% decrease in annuitant mortality rates[2]	(5,101)	150%	(1,356)	187%	(18)	1,436%	(172)	168%	(7,203)	148%
Following 10% increase in assurance mortality rates	(5,136)	152%	(1,342)	197%	(18)	1,436%	(173)	171%	(7,221)	151%
Following a 10% change in lapse rates[3]	(5,052)	154%	(1,318)	198%	(18)	1,436%	(171)	168%	(7,098)	153%

1 Illustrative impacts assume changing one assumption on 1 January 2024, while keeping others unchanged.

2 Only applied to the annuity portfolio.

3 Assumes most onerous impact of a 10% increase/decrease in lapse rates across different product groups.

As can be seen from the results, the Group and its insurance subsidiaries are resilient to such scenarios, with the largest exposure being to a decrease in annuitant mortality rates.

C.2 Market risk

C.2.1 Risk exposure

This section describes the market risk exposures of the Phoenix Group for the year ended 31 December 2023.

Market risk is the risk of reductions in earnings and/or value, through financial or reputational loss, from unfavourable market movements. The Group and its Life insurance subsidiaries are exposed to the following sources of market risk:

Risk source	Description
Interest rate risk	The risk of a reduction in earnings and /or value arising from changes in fixed interest yields or changes in the spread between the swap curve and the gilt yield curve that affect bond asset values and /or their volatility. In this context bond assets should be taken to include gilts, debt issued by supranationals, corporate bonds and collectives that invest primarily in these assets.
Equity risk	The risk of reduction in earnings and /or value, from unfavourable movements in equity asset values and / or equity volatility. In this context, equity assets should be taken to include shares, equity derivatives and equity collectives (OEICs, unit trusts, investment trusts), and unlisted equities (e.g. hedge funds, private equity etc.)
Property risk	The risk of reduction in earnings and /or value, from unfavourable movements in property asset values and / or property volatility. In this context, property assets should be taken to include direct property investment, shares in property companies, property collectives (OEICs, unit trusts, investment trusts), and structured property assets.
Inflation risk	The risk of reduction in earnings and /or asset and liability values, due to inflation, e.g. price inflation or wage inflation. This could lead to an unanticipated change in insurance cost, or change in asset values relative to the respective liabilities.
Currency risk	The risk of reduction in earnings and /or asset and liability values, arising as a consequence of changes to currency exchange rates. This risk category also covers the risk of a change in swap rates in one currency, relative to the swap rate in another currency.
Strategic Financing risk	The risk of the reduction in value of strategic investments could result in losses for shareholders. The Group invests shareholder capital in different parts of a company's capital structure (e.g. equity, mezzanine/sub investment grade debt) where investments are in line with the Group's sustainable investment philosophy and compliance with the Prudent Person Principle (PPP) is maintained.
Policyholder Investment Outcomes risk	The risk that asset management decisions taken by the Group result in a level of investment return for customers which does not allow them to meet their financial goals or results in poor performance of a product relative to peers. This could lead to customer dissatisfaction or poor publicity for the Group.

During the year ended 31 December 2023, the Group experienced elevated levels of economic volatility. The Group seeks to hedge against the majority of shareholder exposure to equities, currency, inflation and interest rate risks through the use of derivatives which ensures that the Group remains resilient during challenging economic conditions.

Another key change to market risk exposure during the year included the successful acquisition of Bulk Purchase Annuity books, predominantly backed by a mixture of equity release mortgages ('ERM'), liquid and illiquid credit.

The table below shows the split of the undiversified SCR in respect of market risk for each of the insurance subsidiaries and the Group.

Components of market risk	PLL	PA(GI)	PGH Group Internal Model	RAL[1]	RLL	SLIDAC	SLOC	PGH Group Standard Formula	PGH Group
Interest rate risk	17%	–	17%	15%	30%	1%	19%	12%	16%
Gilt swap spread risk	19%	–	17%	–	–	–	–	–	14%
Other market risks	64%	–	66%	85%	70%	99%	81%	88%	70%
Total market risk	100%	–	100%	100%	100%	100%	100%	100%	100%

1 RAL does accept gilt swap spread risk, however gilt swap spread risk is not considered in the Standard Formula, hence it presents as a Nil%.

C.2.2 Risk measurement

The Group and its insurance subsidiaries use several methods to assess and monitor market risk exposures both for individual market risk categories and for the aggregate exposure to all market risks. These methods include monitoring of asset portfolio composition, interest rate mismatch risk metrics, strategic asset allocation, and hedge effectiveness.

In addition, these methods include the use of a PRA approved Internal Model, experience analyses, external data comparisons, sensitivity analyses, scenario analyses and stress testing. For the purpose of determining Group regulatory capital, SLIDAC, PLAE, the Sun Life UK entities, Bermudan entities and ReAssure insurance entities use a Standard Formula basis. RAL maintains a legacy Partial Internal Model for determining an internal economic capital view, which is used to inform business decisions only. SLIDAC uses a Partial Internal Model with a bespoke model for Counterparty Default risk and Operational risk, an application to make corresponding changes to the Group Internal Model for SLIDAC is in train.

The risk capital requirement for market risk is assessed using the Group's Partial Internal Model, which is calibrated to withstand a stress event to a 99.5% confidence level over a one-year period.

As at 31 December 2023, market risk represented 21% of the Group's total undiversified SCR as shown in the chart at the beginning of section C.

C.2.3 Risk concentration

The asset concentrations are managed through the Group's strategic asset allocation process, with the allocation to each asset class being agreed by the insurance subsidiaries' Boards. The operation of agreed market risk concentration limits at fund level ensures that the Group and its insurance subsidiaries are not overly exposed to any single country, sector or counterparty.

C.2 Market risk continued

C.2.4 Risk mitigation

Interest rate risk

With-profit business and non-participating business within the with-profit funds ('WPFs') are exposed to interest rate risk as guaranteed liabilities are valued relative to market interest rates and investments include fixed interest securities and derivatives. For with-profit business, the profit or loss arising from mismatches between such assets and liabilities is largely offset by increased or reduced discretionary policyholder benefits dependent on the existence of policyholder guarantees. The contribution of these funds to the Group result is determined primarily through the impact on the value of future shareholder transfers and/or by the change in value of the current or assumed future level of shareholder support within the relevant with-profits funds of the insurance subsidiaries. The shareholder capital is exposed to all economic movements until the estate is rebuilt to cover the required capital, at which point the fund becomes 'unsupported'.

Interest rate risk is managed by matching assets and liabilities where practical and by entering into derivative arrangements for hedging purposes where appropriate. This is particularly the case for the health and other life insurance funds including Matching Adjustment annuity funds. For participating business, increased exposure to interest rate risk is permitted where it is consistent with the principles of treating customers fairly. The with-profit funds of the Group provide capital to allow such mismatching to be effected. In practice, the Life insurance subsidiaries within the Group maintain an appropriate mix of fixed and variable rate instruments (including cash and derivatives) according to the underlying policyholder liabilities. A review is performed at regular intervals to ensure that overall exposure is kept within the risk profile agreed for each particular fund. This also requires the maturity profile of these assets to be managed in line with the liabilities to policyholders.

In the non-profit fund and particularly the Matching Adjustment annuity funds, policy liabilities' sensitivity to interest rates are matched primarily with fixed and variable rate income securities and derivatives, with the result that sensitivity to changes in interest rates is low.

Exposure to ERM is included in the PLL Matching Adjustment ('MA') and non MA portfolios. The interest rate risk in respect of these illiquid assets is matched to liabilities in order to leave a low residual interest rate risk exposure. The potential adverse loss in respect of these illiquid assets is modelled using bespoke in-house models reflecting the specificities of these asset classes.

The Group's pension schemes exposure to interest rates is largely hedged through the use of long dated gilts and interest rate swaps, within the schemes.

Equity and property risk

The Group's objective in holding equity and property assets is to earn higher long-term returns by investing in a diverse portfolio of equities and properties. Portfolio characteristics are analysed regularly and price risks are actively managed in line with investment mandates. The Group's equity holdings are diversified across industries, and concentrations in any one company or industry are limited.

The Group's exposure to property risk has increased due to increased investment in illiquid credit assets such as ERM and Commercial Real Estate Loans ('CREL'). This is in addition to maintaining the current exposure from: existing ERM and CREL investments; collectives in the Unit-Linked funds and WPFs; and some direct property holdings in the Standard Life WPFs.

Equity and property price risk is managed through the agreement and monitoring of financial risk profiles that are appropriate for each of the Group's life funds in respect of maintaining adequate regulatory capital and treating customers fairly. This is largely achieved through asset class diversification and within the Group's Asset-Liability Management ('ALM') framework through the holding of derivatives or physical positions in relevant assets to hedge equity risk where appropriate. Exposure to property price risk on No Negative Equity Guarantees (NNEG) on certain equity release mortgages is hedged through Over-the-Counter ('OTC') contract of insurance. Any residual equity exposure at Group level is hedged, if necessary, to keep the Group exposure within risk appetite. The Group's pension schemes also retain a material exposure to property risk and, in the case of the ReAssure Scheme, to equity risk exposure. Risk exposures are managed via each scheme's investment strategy, as agreed with the trustees.

Inflation risk

The Group is exposed to inflation risk through annuity policies and the Group's pension schemes, which may provide for future benefits to be paid taking account of changes in the level of experienced and implied inflation, and also through the Group's cost base. The Group seeks to manage inflation risk through the holding of derivatives, such as inflation swaps, or physical positions in relevant assets, such as index-linked gilts, where appropriate.

Currency risk

The Group and its insurance subsidiaries' financial assets are primarily denominated in the same currencies as its policyholder liabilities. Thus, the main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which policyholder liabilities are expected to be settled and, indirectly, from the earnings of UK companies arising abroad.

Both the with-profit and non-profit funds (particularly the MA funds) have some exposure to overseas assets which is not driven by liability considerations. The purpose of this exposure is to reduce overall risk whilst maximising returns by diversification. This exposure is limited and managed through investment mandates which are subject to the oversight of the investment committees of the Boards of each insurance subsidiary, and in the case of the with-profit funds consistent with policyholders' reasonable expectations and PPFM. Fluctuations in exchange rates from certain holdings in overseas assets are hedged against currency risks.

Strategic Financing risk

PLL and RAL hold strategic financing investments as part of their wider diversified portfolios. The risks are managed in accordance with the ALM framework, taking into account the ALM targets and risk appetite of the funds in question. Investments are chosen in line with the Group's sustainable investment philosophy and in compliance with the Prudent Person Principle.

The Group's pension schemes also retain a material exposure to Strategic Financing risk. Risk exposures are managed via each Scheme's investment strategy, as agreed with the trustees.

The ongoing effectiveness of market risk mitigation is monitored on a regular basis by the Enterprise Asset Management Committee ('EAMC').

C.2 Market risk continued

C.2.5 Sensitivity analysis

The SCR impact of a number of market risk scenarios is monitored as part of the Group's internal risk management processes. The results of that stress testing on the Group's and each main insurance subsidiary's SCR are provided below.

	PLL		RAL		RLL		SLOC		PGH Group	
SCR £m (or %)	SCR (£m)	Regulatory Ratio (%)	SCR (£m)	Regulatory Ratio (%)	SCR (£m)	Regulatory Ratio (%)	SCR (£m)	Regulatory Ratio (%)	SCR (£m)	Regulatory Ratio (%)
Base: 1 January 2024[1]	**(5,122)**	**155%**	**(1,342)**	**199%**	**(18)**	**1,436%**	**(174)**	**170%**	**(7,210)**	**154%**
Following a 20% fall in equity markets	(5,245)	153%	(1,218)	213%	(18)	1,436%	(163)	183%	(7,160)	155%
Following a 12% fall in property values[2]	(5,244)	150%	(1,342)	198%	(18)	1,436%	(174)	170%	(7,330)	150%
Following a currency appreciation[3]	(5,050)	155%	(1,317)	202%	(18)	1,436%	(179)	169%	(7,084)	153%
Following a currency depreciation[3]	(5,229)	154%	(1,391)	195%	(18)	1,436%	(167)	171%	(7,416)	154%
Following a 100bps interest rates rise[4]	(4,771)	159%	(1,292)	207%	(18)	1,436%	(176)	168%	(6,794)	159%
Following a 100bps interest rates fall[4]	(5,523)	151%	(1,396)	192%	(18)	1,436%	(174)	170%	(7,684)	149%

1 Illustrative impacts assume changing one assumption on 1 January 2024, while keeping others unchanged, and that there is no market recovery. They should not be used to predict the impact of future events as this will not fully capture the impact of economic or business changes. Given recent volatile markets, we caution against extrapolating results as exposures are not all linear.

2 Property stress represents an overall average fall in property values of 12%.

3 A 15% weakening/10% strengthening of GBP exchange rates against other currencies.

4 Assumes the impact of a dynamic recalculation of transitionals (subject to PRA approval) and an element of dynamic hedging which is performed on a continuous basis to minimise exposure to the interaction of rates with other correlated risks including longevity.

As can be seen from the results, the Group and its main insurance subsidiaries are resilient to such scenarios.

C.3 Credit risk

C.3.1 Risk exposure

This section describes the credit risk exposures of the Phoenix Group for the year ended 31 December 2023.

Credit risk is the risk of a reduction in earnings and/or value, through financial or reputational loss, as a result of the default of a counterparty or an associate of such a counterparty to a financial transaction (i.e. failure to honour their financial obligations, or failing to perform them in a timely manner). These obligations can relate to both on and off balance sheet assets and liabilities. The Group and the Life insurance subsidiaries are exposed to the following sources of credit risk:

Risk source	Description
Spread risk	The risk of reduction in earnings and/or value, arising from changes in the spread between corporate bond yields and gilt yields or corporate bond yields and the swap curve. In this context, spread risk also includes changes in the spreads on illiquid assets, such as equity release mortgages ('ERM'), infrastructure loans, commercial real estate loans ('CREL'), local authority loans and social housing.
Investment counterparty risk	The risk of reduction in earnings and/or value, arising from counterparty defaults on liquid or illiquid credit assets. This also includes the residual risk of credit risk mitigation techniques being less effective than expected. For example 'gap risk' where derivative or reinsurance collateral fails to move in line with liabilities following a default event.
Reinsurance counterparty risk	The risk of reduction in earnings and/or value, arising from the failure of a reinsurance counterparty to meet its contractual obligations by way of default or delayed claim settlements.
Outsourcer default risk	The risk of reduction in earnings and/or value through financial or reputational loss associated with a third party providing outsourced services to the Group, either through organisational failure of the third party or sub-standard performance.
Stock-lending risk	The risk of reduction in earnings and/or value, arising as a result of borrowers defaulting on their obligation to return the original stock and the risk arising from the investment of the collateral received in lieu of the borrowed stock.

During the year ended 31 December 2023, the key change to credit risk exposure continues to be the increased investment in illiquid credit assets, including ERM (through ongoing funding of new loans), CREL, and infrastructure loans This is as a result of BPA transactions with the aim of achieving greater diversification and investment returns, consistent with the Strategic Asset Allocation and Risk Appetite approved by the Board.

The Group Counterparty Credit Limit framework has been further strengthened during 2023 to support improved management of counterparty credit risk. Both aggregate and sub-limits at a Group level (i.e. liquid, illiquid, cash, derivative and reinsurance) are monitored for individual counterparties. The framework also contains country, industry, BBB+ and below, and asset class limits. Special limits are in place for counterparties which are considered to warrant higher limits. The framework and limits are reviewed at least on an annual basis and forms part of the overall Group Credit Risk policy.

Over 2023 the Group has continued to undertake actions to increase the overall credit quality of its portfolio and mitigate the impact on risk capital of future downgrades. The Group's exposure to 'sub-investment grade' rated assets (which mainly consists of BB+ rated assets) remains immaterial at less than 1% of shareholder assets under management.

C.3 Credit risk continued

C.3.2 Risk measurement

Several methods are used to assess and monitor credit exposures. These methods include monitoring of asset portfolio composition, single name counterparty limits and monitoring, Value-at-Risk ('VaR') and Potential Future Value Exposure modelling.

In addition, these methods include the use of a PRA approved Internal Model (applicable to Phoenix Life entities, as described in section B.3.4), experience analyses, external data comparisons, sensitivity analyses, scenario analyses and stress testing. For the purposes of determining Group regulatory capital, SLIDAC, PLAE, Bermudan entities, the Sun Life UK entities and ReAssure insurance entities use a Standard Formula basis.

The Internal Model includes a bespoke stress capital model for ERM and associated loan notes, which looks through to the underlying market and credit risk categories. There is no bespoke model for capturing the credit risks associated with other illiquid assets such as CREL and infrastructure loans, however work is underway to develop bespoke stress capital models for these assets.

RAL maintains a legacy Partial Internal Model for determining an internal economic capital view, which is used to inform business decisions only. SLIDAC uses a Partial Internal Model with a bespoke model for Counterparty Default risk and Operational risk, an application to incorporate the SLIDAC Partial Internal Model into the Group Internal Model is in train.

The risk capital requirement for credit risk is assessed using the Group's Partial Internal Model, which is calibrated to withstand a stress event to a 99.5% confidence level over a one-year period.

As at 31 December 2023, credit risk represented 31% of the Group's total undiversified SCR as shown in the chart at the beginning of section C.

C.3.3 Risk concentration

Concentration of credit risk exists where the Group or its insurance subsidiaries has significant exposure to an individual counterparty or a group of counterparties with similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic and other conditions. Counterparty credit risk is monitored by the counterparty limits contained within the Group Credit risk framework and investment guidelines. Counterparty risk in respect of over-the-counter ('OTC') derivative counterparties is monitored using a Potential Future Value Exposure ('PFE') value metric.

An indication of the exposure to credit risk is the quality of assets. The table below provides information regarding the aggregate credit exposure split by credit rating, for direct holdings in government and corporate bonds included in investments (other than assets held for index-linked and unit-linked contracts).

	PLL	RAL	RLL	SLOC	Other	PGH Group	
Rating	Market value £m	Market value £m	Market value £m	Market value £m	Market value £m	Market value £m	Percentage of Total %
AAA	2,961	851	–	63	201	4,076	8%
AA	19,613	3,155	60	851	391	24,070	49%
A	7,927	3,400	–	687	300	12,314	26%
BBB	4,065	2,133	–	582	49	6,829	14%
BB	38	44	–	49	–	131	–
B and below	74	11	–	13	–	98	–
Non-rated	1,087	107	–	31	51	1,276	3%
Total	35,765	9,701	60	2,276	992	48,794	100%

As at 31 December 2023, the largest credit counterparty exposures to a single name counterparty in the Group's asset portfolio were:

Top 10 single name credit exposures (£m)	PGH Group
HIS MAJESTY'S TREASURY	16,724
DIRECTION GENERALE DU TRESOR	1,743
BUNDESREPUBLIK DEUTSCHLAND	1,493
EUROPEAN INVESTMENT BANK	722
NETWORK RAIL INFRASTRUCTURE FINANCE PLC	606
KELDA HOLDINGS LIMITED	345
WALMART INC.	304
COMCAST CORPORATION	301
WELLS FARGO & COMPANY	299
HSBC HOLDINGS PLC	296

The insurance subsidiaries and the Group are exposed to concentration risk in respect of reinsurance ceded to external counterparties, although this is largely mitigated by collateral arrangements with the reinsurers and concentration limits in respect of individual reinsurance counterparties. Section C.1.4 contains details on the Group's largest reinsurance counterparties.

The insurance subsidiaries and the Group are also exposed to concentration risk with outsource service providers. This is due to the nature of the outsourced services market. The Group operates a policy to manage counterparty exposures arising from third party outsourcers and the impact from default is reviewed regularly by executive committees and measured though the PRA approved Partial Internal Model, including the use of stress and scenario testing. Further details on the Group's outsourcing arrangements can be found in section B.7.

C.3 Credit risk continued

C.3.4 Risk mitigation

Credit risk is managed by monitoring aggregate Group exposures to individual counterparties, through appropriate credit risk diversification and via the investment mandates. The Group manages the level of credit risk it accepts through credit risk tolerances and limits (including asset class, industry and geography limits). Additional controls for illiquid asset concentration risk are set out via specific risk limits within the risk appetite framework. In certain cases, protection against exposure to particular credit risk types may be achieved through the use of derivatives.

The credit risk borne by the shareholder on with-profit policies is dependent on the extent to which the underlying insurance fund is reliant on shareholder support.

The Group maintains appropriate and consistent risk rating across its asset portfolio. This enables management to focus on the applicable risks and to compare credit exposures across all lines of business, geographical regions and products. The rating system is supported by a variety of financial analytics combined with market information to provide the main inputs for the measurement of counterparty risk. All risk ratings are tailored to the various categories of assets and are assessed and updated regularly. The Group operates several management committees to perform monitoring of externally rated and internally rated assets.

The ongoing effectiveness of credit risk mitigation described above is monitored on an ongoing basis by the Enterprise Asset Management Committee ('EAMC') and the Reinsurance Management Committee ('RMC').

Further specific mitigation techniques are set out below.

Matching Adjustment portfolio

PLL and RAL have Matching Adjustment approval in respect of blocks of non-participating annuity business. Credit risk and Matching Adjustment is managed via the investment mandates and with investment in Matching Adjustment eligible assets.

Reinsurers

The Group cedes insurance risk in the normal course of business. The Group has policies and procedures in place for the management of reinsurance counterparty default risk, including the design of new treaties and the regular monitoring of reinsurance counterparties by the RMC.

Collateral

The Group receives and pledges collateral in the form of cash or non-cash assets in respect of derivative contracts, reinsurance arrangements and securities lending in order to reduce the credit risk of these transactions. The amount and type of collateral required where the Group receives collateral depends on the terms agreed with the counterparty, which are subject to an assessment of their credit risk.

Outsourcers

The Group receives services from third party outsourcers in relation to policy administration, asset management and fund accounting services. As a result of receiving these services, the Group is exposed to the risk of default. Risk capital is assessed under a 'Multiple Policy Administration Outsourcer failure and default' scenario.

The selected scenario considers a situation where a number of policy administration suppliers default on contractual obligations and become insolvent. Risk capital is assessed based on an established methodology and is reviewed and agreed by management oversight committees and the MGC.

The risk capital assessment takes account of the supplier's operating model, control factors and other forms of protection (such as parental letters of credit used to mitigate the risk for certain outsourcers).

C.3.5 Sensitivity analysis

As part of the Group's internal risk management processes, the impact of a credit risk scenario on the SCR is monitored. The results of that stress testing on the Group's and each main insurance subsidiary's SCR are provided below and demonstrate the resilience of the Group.

	PLL		RAL		RLL		SLOC		PGH GROUP	
SCR £m (or %)	SCR (£m)	Regulatory Ratio (%)	SCR (£m)	Regulatory Ratio (%)	SCR (£m)	Regulatory Ratio (%)	SCR (£m)	Regulatory Ratio (%)	SCR (£m)	Regulatory Ratio (%)
Base: 1 January 2024[1]	**(5,122)**	**155%**	**(1,342)**	**199%**	**(18)**	**1,436%**	**(174)**	**170%**	**(7,210)**	**154%**
Following credit spread widening[2]	(4,926)	152%	(1,252)	208%	(18)	1,436%	(173)	167%	(6,921)	152%
Following credit defaults & downgrades[3]	(5,236)	149%	(1,370)	189%	(18)	1,436%	(174)	170%	(7,351)	148%

1 Illustrative impacts assume changing one assumption on 1 January 2024, while keeping others unchanged, and that there is no market recovery. They should not be used to predict the impact of future events as this will not fully capture the impact of economic or business changes. Given recent volatile markets, we caution against extrapolating results as exposures are not all linear.

2 Credit stress varies by rating and term and is equivalent to an average 135bps spread widening. It assumes the impact of a dynamic recalculation of transitionals (subject to PRA approval) and makes no allowance for the cost of defaults/downgrades.

3 Impact of an immediate full letter downgrade across 20% of the shareholder exposure to the bond portfolio (e.g. from AAA to AA, AA to A, etc.). This sensitivity assumes management actions are taken to rebalance the annuity portfolio back to the original average credit rating and makes no allowance for the spread widening which would be associated with a downgrade.

C.4 Liquidity risk

C.4.1 Risk exposure

Liquidity risk is defined as the failure of the Group to maintain adequate levels of financial resources to enable it to meet its obligations as they fall due. The Group has exposure to liquidity risk as a result of servicing its external debt and equity investors, and from the operating requirements of the Life insurance subsidiaries. The Group's Life insurance subsidiaries have exposure to liquidity risk as a result of normal business activities, specifically the risk arising from an inability to meet medium-term and short-term cash flow requirements.

The Group has a very low risk appetite in respect of liquidity risk, with liquidity buffers being calibrated on the basis of meeting financial obligations in a 1-in-200 stress event.

The Group has a set of established policies and processes to manage its exposure to liquidity risk, including impacts arising from the economic environment, business development and funding changes. These are outlined in C4.4. Where liquidity risk is heightened, such as during the market volatility following the UK mini-budget in September 2022, triggers are in place to enhance the frequency of liquidity monitoring and to implement available contingency actions to ensure sufficient liquidity is maintained.

C.4.2 Risk measurement

Holding capital is not considered to be an appropriate mitigant for liquidity risk. In addition, the liquidity monitoring processes in place across the Group are considered to be sufficient to ensure that liquidity risk exposures remains non-material, or will not arise at all.

The primary metric for measuring liquidity risk is the Quantitative Risk Metric ('QRM') which is defined as the headroom of available liquid and other tangible assets above demand and required buffers. The liquidity metric is assessed over four different time horizon durations; liquidity risks that could crystallise immediately (overnight), over the short-term (2 weeks), over the medium term (90 days), and over one year. This approach is consistent with the requirements within the PRA Supervisory Statement SS5/19 to consider multiple timeframes and commensurate with how the Group is exposed to liquidity risk. QRMs are set for each segregated liquidity pool (i.e. at the entity or WP fund level) and consider each liquidity time horizon for the current period and forecast over the next 12 months. The liquidity QRM builds on the granular liquidity buffers and provides senior management with a clear line of sight from their stated risk appetites to the measurement of risk with associated triggers and limits. These metrics are reported to relevant Management Oversight Committees on a monthly basis.

The QRMs facilitate a 'ladder of intervention' approach by setting an Early Warning Indicator ('EWI') at the point to 'stop and think' whether action is needed to protect strategy and remain within risk appetite; and a 'risk appetite' point where actions need to be agreed to minimise the risk of failing to meet financial obligations as they fall due.

A triggers framework that applies a Red, Amber and Green ('RAG') status approach, is used to help the monitoring of the liquidity QRMs. Escalation will be dictated by the liquidity RAG status.

EWIs have been established for liquidity risks that identify potential upcoming liquidity stress, and thereby prompt potential mitigating action before the crystallisation of the liquidity stress.

The Group has established a Contingency Funding Committee ('CFC') that meets at least quarterly. It is a sub-committee of the Enterprise Finance and Capital Committee ('EFCC'), the purpose of which is to ensure liquidity and funding risks are understood across the Group, and to develop actions to deal with liquidity shortfalls which may occur on a business as usual basis or during a stress event. The CFC is also responsible for maintaining the Contingency Liquidity Plan ('CLP'). This plan outlines procedures to be performed in the event of a liquidity stress and sets out contingency actions to address liquidity shortfalls.

The EFCC meets monthly to monitor the capital and liquidity positions of the Group entity and its subsidiaries, which include the Life insurance subsidiaries.

C.4.3 Risk concentration

The liquidity risk register provides an overview of the sources of liquidity risk across the Phoenix Group and how these are managed.

The entities within the Group assess these liquidity risk drivers to determine whether appropriate liquidity buffers should be held within specific entities and funds, and in respect of the different liquidity time periods.

Liquidity Risk for the Life insurance subsidiaries arises primarily from the following key sources:

- Mass lapse events;
- Collateral calls for derivative assets held;
- Short-term pre-funding of large investments, switches or new business activity such as purchases of Bulk Purchase Annuities ('BPA');
- Reinsurer or counterparty default;
- Operational risk events;
- Injection of assets into Matching Adjustment funds; and
- Support for with-profit funds.

C.4.4 Risk mitigation

The liquidity risk framework is designed to ensure that:

- Liquidity risk is managed in a manner consistent with the Board's strategic objectives, risk appetite and Principles & Practices of Financial Management;
- Cash flows are appropriately managed and the reputation of the Group is safeguarded; and
- Appropriate information on liquidity risk is available to those making decisions.

The Group seeks to take business risks that are understood, managed effectively and consistent with the Group's strategy. Achieving this requires strong liquidity and funding risk management and a positive risk culture to support informed decision-making and controlled risk-taking. The Group Risk Management Framework ('RMF') enables the business to analyse its risk exposures and use this analysis to reduce exposure to unwanted risks, optimise asset allocation, and ensure the efficient release of capital to enable the Group's cash generation targets to be met. Consequently, the accurate identification, modelling and mitigation of material sources of liquidity risk is critical to achieving the Group's business strategy.

The Group's liquidity risk management strategy is based on a risk appetite of less than a 1 in 200 chance of having insufficient liquid or tangible assets to meet financial obligations as they fall due and is supported by:

- Holding appropriate assets to meet liquidity buffers;
- Holding high quality liquid assets to support day to day operations;
- An effective stress testing framework to ensure survival horizons are met under different severe, but plausible scenarios;
- Effective liquidity portfolio management including EWIs; and
- Liquidity risk contingency planning.

For with-profits contracts, a portfolio of assets is maintained in the relevant funds appropriate to the nature and term of the expected pattern of payments of liabilities. Within that portfolio, liquidity is provided by holdings of cash and highly liquid assets. Where it is necessary to sell less liquid assets within the relevant portfolios, then any incurred losses are generally passed onto the With-Profits policyholders in accordance with policyholders' reasonable expectations.

For unit-linked contracts, assets are invested in accordance with the mandates of the relevant unit-linked funds. Policyholder behaviour and the trading position of asset classes are actively monitored. The unit value and value of any associated contracts would reflect the proceeds of any sales of assets. In stressed conditions, the Life insurance subsidiaries could be exposed to liquidity risk in its unit-linked funds. This could occur where a high volume of surrenders coincides with a tightening of liquidity in a unit-linked fund to the point where assets of that fund have to be sold to meet those withdrawals. Where the fund affected consists of less liquid assets

C.4 Liquidity risk continued

C.4.4 Risk mitigation continued

such as property, it can take several months to complete a sale and this would impede the proper operation of the fund. In these situations, both to ensure the fair treatment of all investors in those funds and to protect the Company's own risk exposure, deferral terms within the policy conditions applying to the majority of the Company's unit-linked contracts can be invoked.

The Life insurance subsidiaries are party to a number of derivatives; bilateral and centrally cleared over-the-counter, and exchange traded contracts. These derivative contracts are monitored daily, via an end-of-day valuation process, to assess the need for additional funds to cover margin or collateral calls. Liquid assets are held to cover internally set buffers to meet collateral calls on derivative assets on a daily basis with Management Information produced monthly.

For annuity contracts, assets are held which are specifically chosen with the intention of matching the expected timing of annuity payments. Liquidity risk is minimised through the process of asset and liability cash flow matching. In addition, appropriate buffers are held within the relevant funds in respect of the longevity and credit risk within the annuity funds.

The risks associated with pre-funding for Workplace pension schemes and funding of new business activity (such as BPA), are carefully managed through credit checks on counterparties and use of appropriate legal arrangements. The liquidity implications are assessed by the Liquidity Management and Asset Management teams prior to committing to material transactions, to ensure the liquidity risk is managed in line with risk appetite. Controls are in place and regular meetings are held with the relevant stakeholders to get sufficient sight of upcoming business activities and mitigate any liquidity risk.

Some of the Life insurance subsidiaries' commercial property investments and cash and cash equivalents are held through collective investment schemes. The collective investment schemes have the power to restrict and/or suspend withdrawals, which would, in turn, affect liquidity.

A significant proportion of the financial assets of the Life insurance subsidiaries are held in gilts, cash, supranationals and investment grade securities which the Companies consider sufficient to meet the liabilities as they fall due. The vast majority of these investments are readily realisable since most of them are quoted in an active market.

When deemed necessary the Group uses derivative instruments to hedge its exposure to foreign exchange risk.

EWIs ensure that assigned risk owners monitor and report the liquidity status for each risk to the liquidity management teams. The EWIs are integral to the Group's liquidity risk management framework and in particular liquidity contingency management. It aims to provide senior management with:

- Indicators of potential liquidity risk, thereby prompting potential mitigating action before liquidity stress arises
- Clear reporting against the Group's liquidity risk tolerance
- A robust escalation process to ensure mitigating action is taken in the event of a liquidity stress.

The ongoing effectiveness of liquidity risk mitigation is monitored on a regular basis by the CFC and the EFCC.

C.4.5 Stress testing

The annual Group Stress and Scenario Testing ('SST') Programme provides forward-looking insight into the uncertainties and key risks across a continuum of plausible stress events (ranging from current conditions to extreme stress events) that could put the business plan or strategic objectives at risk (and in the extreme cause the business model to become unviable). This includes uncertain demand for liquid or tangible assets under stress. Understanding the availability of contingent actions to recover from stress and the potential implications of taking such actions is a key part of each component of the SST Programme.

Regular liquidity stress testing is carried out as part of the SST programme across the course of each year. The key aims of this stress testing are to:

- Quantify the impact of stresses/ scenarios on key financial metrics (e.g. tangible asset headroom over defined time horizons, cash generation, dividend paying capacity) and quality of capital;
- Highlight the likely cause of business failure within the reverse stress scenarios and quantify the severity of the stress required to break the business;
- Test the reliability and effectiveness of contingent management actions available to withstand stress events, including the effectiveness of the triggers, monitoring and controls in place across the Group; and
- Support the PGH Board of Directors in making a Viability Statement and other key strategic decisions (e.g. approval of the business plan and dividends).

C.4.6 Expected profits in future premiums ('EPIFP')

Own Funds are used to cover the SCR (see more details in section E.1). The value of liabilities, included within Own Funds, takes into account expected future premium payments even if the policyholder is not contractually committed to making the payments. This methodology for valuing liabilities therefore implicitly allows for any expected profits in future premiums ('EPIFP') which reduces the liability value and increases Own Funds.

The contribution of EPIFP to Own Funds is important from a liquidity perspective as the extent of future premiums assumed in the liability valuation may not emerge in practice (for example due to higher than assumed policyholder lapse rates), thus potentially lowering the available Own Funds to cover the SCR.

As at 31 December 2023, the insurance subsidiaries and the Group's EPIFP included as a component of the reconciliation reserve are shown below. This comprised mainly of future profits arising on protection and unit-linked business. The EPIFP shown below is net of policyholder tax. The EPIFP for SLPF and PA(GI) is £nil.

	PLL £m	RAL £m	RLL £m	SLOC £m	PGH Group £m
EPIFP	824	425	77	27	1,227

C.5 Operational risk

C.5.1 Risk exposure

This section describes the operational risk exposures of the Phoenix Group (excluding SLIDAC, PLAE and PRL) for the year ended 31 December 2023.

Operational risk is defined as the risk of reduction in earnings and/or value, through financial or reputational loss, from inadequate or failed internal processes and systems, or from people-related or external events. The Group's Risk Universe defines a number of sources of operational risk that the Group is exposed to. From a capital perspective, the main sources of operational risk are Customer Outcomes risk (related to the Group's 'Customer' Risk Universe category), and Model risk (as defined below in C.5.3).

Outside of the operational risks for which the Group holds capital, the key operational risk exposure anticipated over the reporting period relates to the operational capacity of the Group and the capabilities within the business to continue to deliver against the Group's key strategic objectives to its customers and other key stakeholders. This exposure is driven by the significant change agenda that needs to be delivered by both the Group and specific third party outsourcers to support delivery against those strategic objectives.

Where operational risk exposures have the potential to materially influence the level of operational capital held in respect of any current or new risk scenario, the Group operates a trigger process where this is reconsidered on an ongoing basis as new management information becomes available through, for example, internal events; external events; changes to regulations; and changes to the risk profile of the business.

C.5.2 Risk measurement

The risk capital requirement for operational risk is assessed using the Group's Partial Internal Model, which is calibrated to withstand a stress event to a 99.5% confidence level over a one-year period.

For Phoenix Life entities in scope of the Internal Model, the operational risk capital assessment process remains a structured, scenario-led approach in which the quantification for each of the top risks faced by the organisation is parameterised directly through workshops, led by expert opinion and informed by internal and external data. Actuarial models are used to determine the appropriate amount of capital to hold in respect of 'low probability, high impact' events.

For the purpose of determining Group regulatory capital, SLIDAC, PLAE, the Bermudan entities, the Sun Life entities and ReAssure insurance entities use a Standard Formula basis. RAL maintains a legacy Partial Internal Model for determining an internal economic capital view, which is used to inform business decisions only. SLIDAC uses a Partial Internal Model with a bespoke model for Counterparty Default risk and Operational risk, an application to make corresponding changes to the Group Internal Model for SLIDAC is in train.

From a qualitative perspective, the operational risks are regularly reported to enterprise committees and Boards.

As at 31 December 2023, operational risk represented 11% of the Group's total undiversified SCR as shown in the chart at the beginning of section C.

C.5.3 Risk concentration

Operational risk can arise from a number of sources, as defined in the Group's Risk Universe. The largest operational risk capital concentrations are in relation to:

- Customer Outcomes risk – The risk that our decisions, actions and behaviours individually or collectively result in a failure to deliver good outcomes for our customers. This could be caused by failures to design, manage and/or service products/propositions appropriately, or failure of the manufacturer to ensure that products/propositions are distributed to the appropriate target market, perform as intended and in line with the expectations set.
- Regulatory Compliance risk – The risk of having sanctions imposed on individuals or the firm including their 'licence to operate' withdrawn by a regulator, or having conditions applied (retrospectively or prospectively) that constrain the ability to properly meet its customers' and other stakeholders' needs, and also impact the overall economic value of the firm.
- Model risk – Errors, omissions or inaccuracies with inputs, outputs or model mechanics leading to the inappropriate use, interpretation or reliance on those outputs in decision-making. It also covers the failure to document and maintain the model and its use, to the appropriate standards.

Strategic change activity will also increase the dependency on a single supplier (Diligenta, and its parent TCS) for the provision of customer administration services, although it should be noted that these services are and will be delivered from a range of onshore and offshore locations that provides some geographic diversification. Concentration risk in this respect is managed in line with the Group's Sourcing Strategy which is refreshed on an annual basis and includes maintenance of an Exit Strategy for TCS and Diligenta as well as capital requirements considered under Credit Risk in the event of default by any of the Group's material outsourcers.

C.5.4 Risk mitigation

The Group and its insurance subsidiaries seek to manage exposure to operational risk by establishing Key Controls, and supporting practices where appropriate, for each operational risk. These Key Controls are defined within individual operational risk policies and are designed to ensure that the Group operates within its defined risk appetite limits. Regular reporting by risk owners ensures risk exposures are monitored against these agreed limits, taking into account the extent to which the Key Controls are being effectively applied.

Considering the key areas of risk highlighted within sections C.5.1 and C.5.3, the key mitigants in respect of operational capacity are:

- Operational capacity planning has been improved with the support of the new Operational Capacity Risk The policy links the challenges in sustainably recruiting the required organisational capabilities given the growth of the Group and external market conditions.
- Production, review and maintenance of an operational capacity and business capability indicators that take account of planned change activity and "business as usual" resource capacity across the Group and its key outsourcers; and
- The use of these indicators to inform decision-making on the prioritisation and timing of our project portfolio.

The delivery of strategic change programmes to move to a single supplier (Diligenta, and its parent TCS) for the provision of customer administration services is key in reducing the operational risk profile of the business, where the current legacy systems are not considered to be sustainable in the long term. Whilst this will lead to an increase in supplier concentration risk for the Group, it will be delivered on a phased basis and will be mitigated principally by:

- Ongoing maintenance of an Exit Strategy for TCS Diligenta (the Diligenta Contingency Framework), in line with the Group's Sourcing Strategy which is refreshed annually;
- These services are and will be delivered from a range of onshore and offshore locations that provides some geographic diversification;
- Requirement to embed operational resilience within the scope of transformation by the respective projects as part of the relevant change programmes if these are not being fully met under the current (legacy) operating models; and
- Capital requirements are considered under Credit risk in the event of default by any of the Group's material outsourcers.

The effectiveness of these mitigants and the broader range of Key Controls is monitored and reported on an ongoing basis to relevant Operational management committees and the Group and Life Company Boards.

C.5 Operational risk continued

C.5.4 Risk mitigation continued

In addition, the Group also places reliance upon:

- The transfer of operational risk to the Group's third party outsourcers for non-core activities, with the obligations/ liabilities for each outsource arrangement outlined in the relevant contract; and
- The Group's corporate insurance policies which provide cover in respect of a variety of operational risks including product misselling, financial crime, cyber risk and premises.

Key elements of operational risk mitigation are taken account of on a prudent basis against those operational risk capital scenarios in which subject matter experts assess that a valid claim could be made. The approach to corporate insurance in the capital model is conservative, with haircuts made for mismatches, willingness of insurer to pay claims and the residual term of policy from date of a risk event occurring.

C.6 Other material risks

This section describes the other risk exposures of the Phoenix Group (excluding SLIDAC, PLAE and the Bermudan entities) for the year ended 31 December 2023.

C.6.1 Tax risk

C.6.1.1 Risk exposure

Tax risk is defined as the risk of reductions in earnings and/or value, through financial or reputational loss, due to an unforeseen tax cost, or by the inappropriate reporting and disclosure of information in relation to taxation.

Potential causes of tax risk are:

- the Group making a material error in its tax reporting;
- incorrect calculation of tax provisions;
- failure to implement the optimum financial arrangements to underpin a commercial transaction; and
- incorrect operation of policyholder tax requirements.

C.6.1.2 Risk measurement

The risk capital requirement for tax risk is assessed using the Group's PRA approved Partial Internal Model which is calibrated to withstand a stress event to a 99.5% confidence level over a one-year period. The methodology also considers operational tax risk scenarios assessed by experts within the business.

From a qualitative perspective, the tax risks for the Group and its subsidiaries are regularly reported to management oversight committees.

C.6.1.3 Risk concentration

Sources of tax risk that could give rise to concentrations are:

- political: a drive by UK Government to increase tax revenues and to create a social environment in which tax 'avoidance' is considered contrary to the spirit of the law;
- regulatory: changes to tax law that impact the Group's tax position;
- structuring: opportunities to maximise financial or economic value and protect the value of tax assets;
- operational: tax legislation is complex and the potential for operational errors to occur is significant, both by the Group and its outsourcers in calculating and accounting for direct and indirect taxes; and
- tax penalties: the Tax Authorities have strengthened the penalty regime to levy penalties for non-compliance.

C.6.1.4 Risk mitigation

Tax risk is managed by maintaining an appropriately-staffed tax team who have the qualifications and experience to make judgements on tax issues, augmented by advice from external specialists where required. The Group has a formal tax risk policy, which sets out its risk appetite in relation to specific aspects of tax risk, and which details the controls the Group has in place to manage those risks. These controls are subject to a regular review process.

C.6.2 Strategic risk

C.6.2.1 Risk exposure

Strategic risk in its broadest sense can be defined as a possible source of loss that might arise from the pursuit of an unsuccessful business plan; this source of loss can be to the shareholders and / or to the policyholder, and may drive reputational damage which could further impact the Group's ability to meet its strategic objectives. For example, strategic risk might arise from making poor business decisions, from the substandard execution of decisions, from inadequate resource allocation, from a failure to respond well to changes in the business environment, or from failure to exploit opportunities which present themselves.

C.6.2.2 Risk measurement

Capital is held for Purchase Price Adjustment (PPA) risk only. The PPA mechanism triggers if the life companies withdraw assets from certain asset managers during a defined period, requiring an adjustment to the purchase price to reflect the projected value of lost asset management fees. The associated risk capital is held at the Group level.

Strategic risk is not a capitalised risk within the Internal Model. To mitigate strategic risks, it is considered more appropriate to implement a course of action to reduce the impact and likelihood of these risks crystallising, rather than relying on holding and releasing capital. Whilst strategic risks could impact the Life companies in respect of, for example, new business or persistency, they are implicitly allowed for within the capital requirements on the Life companies themselves.

C.6.2.3 Risk concentration

Strategic risk-related principal risks and uncertainties noted in the PGH Annual Report and Accounts for the year ended 31 December 2023 include those related to: ESG which has been assessed as heightened for the first time since introduction in 2019; strategic partnerships; the acquisition and transition of acquired businesses; regulatory, legislative or political changes; cyber resilience; and delivery of change.

C.6.2.4 Risk mitigation

A strategic risk policy is maintained and reported against regularly, with a particular focus on risk management, stakeholder management, corporate activity and overall reporting against the strategic ambitions of the Life Companies and Group.

C.6.3 Climate Risk

C.6.3.1 Risk Exposure

The Group has classified Sustainability risk as a Principal Risk and Uncertainty in the Annual Report and Accounts since 2019, with climate change being a specific sub-risk under Sustainability risk. The Group and the assets in which it invests could be impacted by physical climate impacts, risks from the transition to a low carbon economy as well as potential opportunities. Descriptions of key climate-related risks are included in C.6.3.3 below.

In recent years, significant progress has been made in establishing the Group's climate governance and risk management processes, as well as developing risk metrics. The management of climate related risks and opportunities is incorporated into the Group's strategy. The Group's climate disclosures, in line with the Task Force on Climate-Related Financial Disclosures ('TCFD'), are outlined in the Group's Climate Report for the year ended 31 December 2023. The report also includes planned future priorities across each of the TCFD focus areas.

C.6 Other material risks continued

C.6.3 Climate Risk continued

C.6.3.2 Risk Measurement

As noted in section B.3.2, Sustainability Risk Management Strategy, which incorporates climate risk, cross-cuts and impacts all areas of the Risk Universe. Specific capital is not currently held for climate risk, but we assess the appropriateness of our capital held via scenario analysis performed as part of the Own Risk and Solvency Assessment (ORSA). In addition, the Group's Internal Model Governance Policy requires that the impact of climate change-related risks is given specific consideration when developing and reviewing Solvency II methodology and assumptions.

The Group utilises both quantitative and qualitative scenario analysis to assess its exposure to climate risk and assess potential management actions. Climate change stress and scenario tests are used to inform our climate risk appetite, identify risks to the Group strategy and test the adequacy of contingency actions.

Identification of climate-related risks has been embedded into the components of Phoenix's Risk Management Framework which support the identification of risks from a top-down and bottom-up perspective. Key to the understanding of the Group's climate risk exposure is the aforementioned annual stress and scenario testing, ongoing carbon footprinting exercises and monitoring of progress against targets.

Quantitative Risk Metrics (QRMs) are in place to measure the Group's exposure to sustainability risk, including climate risk on a regular basis. These include metrics covering the investment portfolio and the wider Group to ensure coverage across the various avenues through which climate risk may emerge.

C.6.3.3 Risk Concentration

The key sources of climate-related risks are summarised below.

Risk Source	Description
Transition Risk	The risk related to the transition to a low carbon economy. This includes market shifts on investments in high carbon sectors such as oil and gas, regulation and policy changes, litigation and reputational damage.
Physical Risk	The risk related to the physical impacts of climate change. This includes: • The likely impact to investments in sectors with real assets e.g. real estate and certain infrastructure investments, and second-order impacts to investments in other sectors. • Impacts on Group's operations due to potential damage or disruption to the business, workforce and supply chains from acute weather events and longer-term chronic changes to the climate.

C.6.3.4 Risk Mitigation

By adopting a proactive approach towards climate change, the Group believes its actions can help to mitigate against climate-related risks. Key mitigating actions include:

- The Group has a 2050 net zero carbon commitment in place for its investment portfolio and has set interim decarbonisation targets for 2025 and 2030 to ensure exposure to climate-risk is reduced in an orderly manner. Progress against targets is regularly reviewed to monitor progress.
- The Group pursues a policy of engagement and stewardship with counterparties through asset managers and has an approved Group exclusion policy in place.
- The Group ensures that robust business continuity and operational resilience frameworks consider all office locations, staff, systems, and processes. Continued implementation of energy efficiency and carbon reduction measures supports the 2025 net zero commitment for operations.
- Engagement supports our key suppliers to make phased reductions in emissions to align with our commitments and increased screening of new suppliers helps ensure that they meet our sustainability standards.
- The Group supports climate change-aligned organisations such as the Carbon Disclosure Project and works collaboratively with peers and industry bodies.
- The Group is working with investees and asset managers to drive emissions reduction and reduce climate risk in customer and shareholder investment portfolios.
- The Group offers and continues to develop its range of investment solutions with decarbonising strategies for our customers, including the Sustainable Multi Asset Range in which approximately 2 million customers are invested.
- The Group has reached over 1.5 million customers to raise awareness on the impact of investing, and has published guidance to support customers in understanding product level climate disclosure reports.

C.7 Any other information

C.7.1 Prudent person principle requirements

The Prudent Person Principle in the Solvency II Regulations sets out the principles that should apply in making investment decisions. In particular, this requires that the Group and its insurance subsidiaries should only invest in assets and instruments whose risks they can properly identify, measure, monitor, manage, control and report, and appropriately take into account when assessing solvency needs.

The Prudent Person Principle is implemented through the RMF as part of the Group Policy Framework of which MCS have been designed to ensure compliance. Compliance with the relevant policies is monitored on an ongoing basis. Examples of the MCS in place include:

- Responsibility for agreeing the strategic asset allocation rests with the Life Companies' Boards, as advised by the Board Investment Committee, Enterprise Asset Management Committee ('EAMC') and Phoenix Asset Management.
- Investments for unit-linked and index-linked contracts are governed by the relevant investment mandates which meet the overarching requirements of Group policies, as well as close-matching rules and policy-specific requirements.
- Derivatives are used in many of the Life Companies' funds, within policy guidelines agreed by the relevant Boards. Derivatives are primarily used for risk hedging purposes or for efficient portfolio management.

C.7 Any other information continued

C.7.1 Prudent person principle requirements continued

- Equities are invested in by our asset managers to align to the liabilities created from customer investments in Unit-Linked and With-Profits funds to achieve the desired investment objective as described in the customer literature. For each fund they set the strategy, risk and return profiles and duration which influences the nature and level of equity investment as set out for customers in the relevant factsheet or annual statement. Diversification across asset classes, duration and risk appetite are key drivers of the asset mix within any fund and assessed against the customer objective.
- Arrangements with asset managers are set out in the relevant contract between the Life Company and the Asset Manager and the term varies by Manager. The arrangements are long term in nature and are assessed against medium and long term performance of the manager and criteria are defined within the contract. Fees paid to the asset vary by strategy and asset class and investment performance is monitored regularly.
- The capability of managers to perform active stewardship and discharge our voting rights is taken into account as part of the manager selection and delegated formally in the contract between Phoenix Asset Management and the asset manager.
- Transaction costs and turnover are monitored, assessed and reported on each quarter, alongside investment performance of each strategy or fund. Portfolio turnover is a function of the investment strategy employed, the volatility of the market and the opportunities available to deliver the performance.

More details on how the Group achieves compliance with the requirements (in particular, having the appropriate risk management capability for the invested assets, investments appropriate for the nature and term of the liabilities, use of derivatives for risk mitigation, diversification and concentration risk) are described in sections C.2 and C.3.

C.7.2 Sensitivity analysis

As part of the Group's RMF, stress and scenario tests are used extensively to support the assessment of risks and provide an analysis of their financial impact.

The most significant market risk sensitivities arise from interest rate risk, equity and property risks. Sensitivity to credit risk arises from credit spread risk and credit downgrade risk.

The most significant underwriting risk sensitivities arise from longevity, mortality and lapse risk as insurance and pension scheme liabilities are sensitive to the assumptions which have been applied in their calculation. Sometimes allowance must also be made for the effect on future assumptions of management or policyholder actions in certain economic scenarios. This could lead to changes in the assumed asset mix or future bonus rates.

The table below shows the effect of a change on key assumptions, with all other variables held constant, on PLL, RAL, RLL, SLOC and the Group's Solvency II surplus:

Solvency II Surplus £m	PLL	RAL	RLL	SLOC	PGH Group
Base: 1 January 2024[1]	**2,795**	**1,330**	**245**	**123**	**3,859**
Following a 20% fall in equity markets	2,798	1,371	245	135	3,914
Following a 12% fall in property values[2]	2,615	1,320	245	122	3,668
Following a 100bps interest rates rise[3]	2,823	1,378	245	120	3,979
Following a 100bps interest rates fall[3]	2,809	1,279	245	123	3,768
Following credit spread widening[4]	2,561	1,355	245	116	3,611
Following credit defaults & downgrades[5]	2,565	1,223	245	121	3,518
Following a currency appreciation[6]	2,800	1,337	245	124	3,771
Following a currency depreciation[6]	2,809	1,316	245	119	4,019
Following 6% decrease in annuitant mortality rates[7]	2,534	1,183	245	118	3,439
Following 10% increase in assurance mortality rates	2,694	1,308	245	123	3,736
Following a 10% change in lapse rates[8]	2,714	1,287	245	116	3,728

1 Assumes stress occurs on 1 January 2024 and that there is no market recovery.

2 Property stress represents an overall average fall in property values of 12%

3 Assumes the impact of a dynamic recalculation of transitionals (subject to PRA approval) and an element of dynamic hedging which is performed on a continuous basis to minimise exposure to the interaction of rates with other correlated risks including longevity.

4 Credit stress varies by rating and term and is equivalent to an average 135bps spread widening. It assumes the impact of a dynamic recalculation of transitionals (subject to PRA approval) and makes no allowance for the cost of defaults/downgrades.

5 Impact of an immediate full letter downgrade across 20% of the shareholder exposure to the bond portfolio (e.g. from AAA to AA, AA to A, etc.). This sensitivity assumes management actions are taken to rebalance the annuity portfolio back to the original average credit rating and makes no allowance for the spread widening which would be associated with a downgrades.

6 A 15% weakening/10% strengthening of GBP exchange rates against other currencies.

7 Only applied to the annuity portfolio.

8 Assumes most onerous impact of a 10% increase/decrease in lapse rates across different product groups

RLL's sensitivity to changes in these assumptions is limited as it has in place external reinsurance arrangements and an intra-group reinsurance agreement with RAL, which transfers the majority of insurance and financial risks out of the company.

For operational risk, stress testing at the 99.5th percentile confidence level is used to determine the operational risk capital requirements, using the PRA approved Partial Internal Model. Section C.5.2 contains further details of operational risk measurement.

The table above demonstrates the Group's resilience to such sensitivities with longevity and credit risk being its largest exposures, driven by the Group's large annuity portfolio. Regular sensitivity testing is monitored to ensure the Group and the Life Companies are operating within risk appetite limits. In addition, as part of the Group's Capital Risk Appetite Framework regular stress testing is carried out to validate the adequacy of capital buffers across the Life Companies and Group and ensures that the Group is operating within its Capital Risk Appetite statement (as defined in section B.3.2).

In this section

Valuation for solvency purposes

Valuation for solvency purposes

This section describes the bases, methods and main assumptions used in the valuation of assets, technical provisions and other liabilities under Solvency II for the PGH Group and its insurance subsidiaries.

The valuation principle applied under Solvency II is that assets and liabilities are valued at the amounts for which they could be exchanged between knowledgeable and willing parties in an arm's length transaction.

Unless otherwise stated in section D.1 (assets), D.2 (technical provisions) and D.3 (other liabilities), assets and liabilities under Solvency II are valued in accordance with the Group's and the insurance subsidiaries' statutory accounting policies. For the Group, SLOC and PA(GI), the statutory accounting basis is IFRS; for PLL, PLAL, SLAL, SLPF, RAL and RLL, the statutory accounting basis is UK GAAP.

The table below provides a summary of the Solvency II excess of assets over liabilities compared with the excess of assets over liabilities on a statutory valuation basis. Where the Solvency II valuation of assets and liabilities is the same as the statutory accounts valuation basis, a description of the bases, methods and main assumptions can be found in the relevant notes to the financial statements of the Group and the relevant insurance subsidiaries. Where there are valuation differences, further detail has been provided in sections D.1 for assets, D.2 for technical provisions and D.3 for other liabilities.

For the year ended 31 December 2023	Assets (D.1) £m	Technical provisions (D.2) £m	Other liabilities (D.3) £m	SII excess of assets over liabilities £m	IFRS excess of assets over liabilities[1] £m	Difference £m
PGH Group	293,245	(264,149)	(18,323)	10,773	2,990	7,783

1 The statutory accounts value for excess of assets over liabilities corresponds to total equity of £3,539 million less non-controlling interests of £549 million in the Group's IFRS statement of consolidated financial position for the year ended 31 December 2023.

The statutory accounts value of assets and liabilities presented in this section reflects the recognition basis and valuation methods used in the preparation of the financial statements of the Group and the relevant insurance subsidiaries. To facilitate comparison between the two sets of numbers, both the statutory accounts values and the Solvency II values have been shown throughout this section in accordance with the Solvency II balance sheet presentation format. This means that the statutory accounts values may not directly agree to corresponding line items in the respective financial statements.

The Balance Sheet QRT S.02.01.02 is included in Appendix 1.1 for the PGH Group, Appendix 2.1 for PLL, Appendix 3.1 for PLAL, Appendix 4.1 for SLAL, Appendix 5.1 for SLPF, Appendix 6.1 for RAL, Appendix 7.1 for RLL, Appendix 8.1 for SLOC and Appendix 9.1 for PA(GI).

The valuation of the Group's assets, technical provisions and other liabilities for solvency purposes are consistent with those used by the insurance subsidiaries except where differences arise due to consolidation.

Consolidation approach
For the PGH Group, the Solvency II balance sheet has been prepared using the default accounting consolidation-based method ('Method 1'), which differs from the approach applied in the preparation of the Group's IFRS financial statements. The key difference is that under Solvency II, only the Group's insurance undertakings, insurance holding companies and ancillary services undertakings are fully consolidated on a line by line basis.

Subsidiary undertakings that are classified as UCITS management companies, financial institutions and non-regulated undertakings carrying out financial activities are reflected as the proportional share of own funds determined in accordance with the relevant sectoral rules. These undertakings are included within the 'Holdings in related undertakings, including participations' line of the Group's Solvency II balance sheet.

All other subsidiaries, referred to as other residual related undertakings ('ORRUs'), are included in the 'Holdings in related undertakings, including participations' line on the Group's Solvency II balance sheet measured using either quoted market prices, or where such a price is not available, the adjusted equity method. The adjusted equity method requires the participation to be valued at the Group's share of the excess of assets over liabilities calculated on a Solvency II basis.

The approach described above differs from the IFRS consolidation approach, whereby all subsidiaries are fully consolidated on a line by line basis. Further details are included in section D.1.2.

Held for sale
The sale of the UK Trustee Investment Plan ('TIP') business currently within PLL will be effected through a Part VII transfer expected to complete in March 2025. In the consolidated PGH Group financial statements, the assets and liabilities associated with these businesses have been classified as a disposal group held for sale in accordance with IFRS. Accordingly the disposal group has been measured at fair value less costs to sell. Under Solvency II, this held for sale classification is not applied.

Participations
Under Solvency II, a participation exists where there is a holding, directly or indirectly, of 20% of more of the voting rights or capital of an undertaking. All participations are reported in the 'Holdings in related undertakings, including participations' line of the Solvency II balance sheet. This differs to the presentation in the statutory balance sheets, where all unconsolidated investments regardless of the proportion owned are presented in accordance with their nature, typically as either Collective investment schemes, Equities or Investments in associates.

D.1 Assets

D.1.1 Introduction

The table below sets out the Solvency II value of assets along with the valuation differences compared to the statutory accounts value for the Group and the insurance subsidiaries within the scope of this report.

D.1.1.1 Assets – PGH Group

Assets as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Goodwill	1	–	10	(10)
Deferred acquisition costs	2	–	8	(8)
Intangible assets	2	–	2,018	(2,018)
Deferred tax assets	3	357	143	214
Pension benefit surplus	4	28	28	–
Property, plant and equipment held for own use	5	82	104	(22)
Investments (other than assets held for index-linked and unit-linked contracts)	6	94,918	95,153	(235)
Property (other than for own use)		1,037	1,037	–
Holdings in related undertakings, including participations		36,921	37,156	(235)
Equities		2,417	2,417	–
Bonds		49,073	49,073	–
Collective Investment Undertakings		3,188	3,188	–
Derivatives		2,213	2,213	–
Deposits other than cash equivalents		69	69	–
Assets held for index-linked and unit-linked contracts	7	170,290	170,290	–
Loans and mortgages	8	7,438	7,438	–
Reinsurance recoverables	9	16,209	18,340	(2,131)
Insurance and intermediaries receivables	10	244	244	–
Reinsurance receivables	10	130	130	–
Receivables (trade, not insurance)	11	2,896	2,953	(57)
Cash and cash equivalents	12	653	653	–
Total assets		293,245	297,512	(4,267)

D.1.1.2 Assets – PLL

Assets as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Deferred acquisition costs	2	–	233	(233)
Intangible assets	2	–	78	(78)
Deferred tax assets	3	155	155	–
Property, plant and equipment held for own use	5	8	8	–
Investments (other than assets held for index-linked and unit-linked contracts)	6	77,491	77,491	–
Property (other than for own use)		683	683	–
Holdings in related undertakings, including participations		32,578	32,578	–
Equities		157	157	–
Bonds		40,460	40,460	–
Collective Investment Undertakings		1,650	1,650	–
Derivatives		1,906	1,906	–
Deposits other than cash equivalents		57	57	–
Assets held for index-linked and unit-linked contracts	7	112,456	112,456	–
Loans and mortgages	8	5,105	5,105	–
Reinsurance recoverables	9	14,722	16,198	(1,476)
Insurance and intermediaries receivables	10	221	221	–
Reinsurance receivables	10	69	69	–
Receivables (trade, not insurance)	11	2,322	2,405	(83)
Cash and cash equivalents	12	443	443	–
Total assets		212,992	214,862	(1,870)

D.1 Assets continued
D.1.1 Introduction continued
D.1.1.3 Assets – PLAL

Assets as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Investments (other than assets held for index-linked and unit-linked contracts)	6	4	4	–
Collective Investment Undertakings		4	4	–
Total assets		4	4	–

D.1.1.4 Assets – SLAL

Assets as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Investments (other than assets held for index-linked and unit-linked contracts)	6	4	4	–
Collective Investment Undertakings		4	4	–
Total assets		4	4	–

D.1.1.5 Assets – SLPF

Assets as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Investments (other than assets held for index-linked and unit-linked contracts)	6	4	4	–
Collective Investment Undertakings		4	4	–
Total assets		4	4	–

D.1.1.6 Assets – RAL

Assets as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Intangible assets	2	–	466	(466)
Deferred tax assets	3	–	17	(17)
Property, plant and equipment held for own use	5	3	3	–
Investments (other than assets held for index-linked and unit-linked contracts)	6	17,704	17,704	–
Property (other than for own use)		329	329	–
Holdings in related undertakings, including participations		3,060	3,060	–
Equities		2,043	2,043	–
Bonds		9,723	9,723	–
Collective Investment Undertakings		2,402	2,402	–
Derivatives		147	147	–
Assets held for index-linked and unit-linked contracts	7	32,013	32,013	–
Loans and mortgages	8	2,802	2,802	–
Reinsurance recoverables	9	251	484	(233)
Insurance and intermediaries receivables	10	109	109	–
Reinsurance receivables	10	14	14	–
Receivables (trade, not insurance)	11	410	410	–
Cash and cash equivalents	12	67	67	–
Total assets		53,373	54,089	(716)

D.1.1.7 Assets – RLL

Assets as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Deferred acquisition costs	2	–	10	(10)
Investments (other than assets held for index-linked and unit-linked contracts)	6	335	335	–
Bonds		60	60	–
Collective Investment Undertakings		275	275	–
Assets held for index-linked and unit-linked contracts	7	5,592	5,592	–
Loans and mortgages	8	208	208	–
Reinsurance recoverables	9	234	551	(317)
Reinsurance receivables	10	30	30	–
Receivables (trade, not insurance)	11	21	21	–
Cash and cash equivalents	12	9	9	–
Total assets		6,429	6,756	(327)

D.1 Assets continued
D.1.1 Introduction continued
D.1.1.8 Assets – SLOC

Assets as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Deferred acquisition costs	2	–	1	(1)
Deferred tax assets	3	7	35	(28)
Pension benefit surplus	4	18	18	–
Investments (other than assets held for index-linked and unit-linked contracts)	6	2,480	2,480	–
Property (other than for own use)		25	25	–
Holdings in related undertakings, including participations		1	1	–
Equities		84	84	–
Bonds		2,286	2,286	–
Collective Investment Undertakings		31	31	–
Derivatives		41	41	–
Deposits other than cash equivalents		12	12	–
Assets held for index-linked and unit-linked contracts	7	5,107	5,107	–
Loans and mortgages	8	13	13	–
Reinsurance recoverables	9	1,559	1,587	(28)
Insurance and intermediaries receivables	10	–	–	–
Reinsurance receivables	10	16	16	–
Receivables (trade, not insurance)	11	23	23	–
Cash and cash equivalents	12	12	12	–
Total assets		9,235	9,292	(57)

D.1.1.9 Assets – PA(GI)

Assets as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Investments (other than assets held for index-linked and unit-linked contracts)	6	7	7	–
Collective Investment Undertakings		7	7	–
Receivables (trade, not insurance)	11	37	37	–
Total assets		44	44	–

D.1.2 Valuation bases, methods and main assumptions: Assets
The Group's Solvency II valuation principles, including the bases, methods and main assumptions, for each class of asset are set out below. Except for asset classes where the statutory accounts value column displays a difference, the valuation methods used for the statutory accounts are consistent with the valuation methods under Solvency II. Furthermore, unless stated otherwise, the statutory valuation basis under IFRS and under UK GAAP are the same. Further details on the Group's valuation principles are set out in the respective notes to the Group's 2023 financial statements. There have been no significant changes to the valuation principles set out below during the year.

Note	Balance sheet item	Valuation principles
1	**Goodwill**	Under Solvency II, goodwill is valued at £nil. In the statutory accounts, goodwill is carried on the balance sheet at initially recognised amounts less accumulated impairment.
2	**Deferred acquisition costs and intangible assets (other than goodwill)**	Under Solvency II, other intangible assets are valued at £nil unless they can be sold separately and it can be demonstrated that there is value for the same or similar assets in an active market. None of other intangible assets in the Group have been assessed as meeting this criteria. Deferred acquisition costs and acquired in-force business intangibles are valued at £nil under Solvency II because the associated cash flows are included in the measurement of technical provisions.
3	**Deferred tax assets/ liabilities**	Details on the valuation differences between Solvency II and the statutory accounts, and origin of the deferred tax assets, are provided in section D.1.3.
4	**Pension benefit surplus/obligations**	The Group's five principal defined benefit staff pension schemes are valued in accordance with IAS 19 Employee benefits under both Solvency II and IFRS. Schemes in surplus are included in the 'pension benefit surplus' line for the PGH Group; schemes in deficit are included in the 'pension benefit obligations' line. The principal employer of the PGL Pension Scheme is a subsidiary that is classified in accordance with the regulations as an Other Residual Related Undertaking ('ORRU'). As a result, the Group's share of its net assets, including amounts relating to the PGL Pension Scheme, is presented within the 'holdings in related undertakings including participations' line of the Group's Solvency II balance sheet. Full details on all pension schemes and information on the IAS 19 valuation basis can be found in note G1 of the Group's 2023 financial statements.

D.1 Assets continued

D.1.2 Valuation bases, methods and main assumptions: Assets continued

Note	Balance sheet item	Valuation principles
5	**Property, plant and equipment (held for own use)**	Owner-occupied property is stated in the statutory accounts at the revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and impairment. There is no difference between the statutory accounts and Solvency II valuations. Leased assets, which principally comprise rented office premises, are recognised in the statutory accounts in the form of a right of use asset under Property, plant and equipment (held for own use) with a corresponding liability within Payables (trade, not insurance). Right of use assets are measured in the statutory accounts at cost less accumulated depreciation and lease liabilities are held at amortised cost. Under Solvency II, both the right of use assets and lease liabilities are valued consistently with the statutory accounts on grounds of materiality. Other classes of property, plant and equipment are measured at cost less accumulated depreciation in the statutory accounts. Under Solvency II, a £nil value has been attributed to certain fixtures and fittings and equipment in use by the Group where it has been assessed that there is no active market for these assets. The remaining items of property, plant and equipment are valued consistently with the statutory accounts on grounds of materiality.
6	**Investments (other than assets held for index-linked and unit-linked contracts)**	Investments in equities, bonds, collective investment undertakings, derivatives and property (other than for own use) These assets are measured at fair value in the statutory accounts and under Solvency II. Further details on the valuation methodology can be found in notes E1, E2, E3 and G4 of the Group's 2023 financial statements. Section D.4.1 includes information on financial investments and property (other than for own use) that are fair valued using alternative valuation methodologies. Holdings in related undertakings, including participations The following participations are included within this line item: • Holdings in collective investment undertakings in which the Group's interest is greater than 20% are reclassified from 'Collective Investment Undertakings' to 'Holdings in related undertakings, including participations and measured at fair value. • A valuation difference arises in respect of the Group's interest in abrdn Private Equity Opportunities Trust plc ('APEO'), a listed investment trust that is classified as a subsidiary undertaking and is therefore consolidated under IFRS. Under Solvency II, APEO is classified as an ORRU and the value of the Group's participation is based on the quoted market price. This is £251 million lower than the Group's share of APEO's IFRS net assets reflected in the statutory accounts value. As the interest in APEO is held by the Group's policyholder funds, there is an equal and opposite valuation difference arising between IFRS and Solvency II technical provisions. • The Phoenix Group Employee Benefit Trust ('EBT'), an undertaking that holds shares in PGH for the purposes of the Group's employee share schemes. Own shares are valued at fair value which is based on the quoted market price of PGH shares at each reporting date. Further details on the treatment of own shares within Own Funds are included in section E.1. In contrast, under IFRS where the EBT acquires shares in PGH or obtains rights to purchase its shares, the consideration paid is shown as a deduction from owners' equity. This results in a £16 million valuation difference between Solvency II and IFRS. • Subsidiary undertakings classified as ORRUs for which quoted market prices are not available have applied the adjusted equity valuation method. The adjusted equity method requires participations to be valued based on the Group's share of the excess of assets over liabilities of the related undertaking, determined in accordance with Solvency II valuation principles. No alternative valuation methods are used for valuing the ORRUs. • The Group's UCITS management company and non-regulated undertakings carrying out financial activities are valued on a local sectoral basis and notional sectoral basis respectively. Deposits other than cash and cash equivalents Deposits other than cash and cash equivalents are valued at par and comprise short-term deposits that cannot be used to make payments before a specific maturity date or without any penalty or restriction. There is no difference between the statutory and Solvency II valuations. Any investments related to unit-linked contracts are included as 'assets held for index-linked and unit-linked contracts (see note 7).
7	**Assets held for index-linked and unit-linked contracts**	Assets held for index-linked and unit-linked funds are measured based on the fair value of the underlying assets and liabilities (other than technical provisions) held within such funds. The valuation methods are consistent between the statutory and Solvency II valuation. In the IFRS financial statements, assets and liabilities backing index-linked and unit-linked contracts are presented on a line-by-line basis. On the Solvency II balance sheet, these assets and liabilities are reported in a single line in 'assets held for index-linked and unit-linked contracts', except for deferred tax, which is reported in 'deferred tax assets' or 'deferred tax liabilities'.
8	**Loan and mortgages**	Loans and mortgages are valued at fair value. For the majority of the loans, including equity release mortgage ('ERM') loans and commercial real estate loans, fair value is determined using alternative valuation methods. Further details are included in section D.4.1. There is no difference between the statutory and Solvency II valuations.

D.1 Assets continued

D.1.2 Valuation bases, methods and main assumptions: Assets continued

Note	Balance sheet item	Valuation principles
9	**Reinsurance recoverables**	The value of reinsurance recoverables is dependent on the expected claims and benefits arising under the related reinsured policies. To the extent that the Solvency II valuation of the related technical provisions differs from the statutory valuation, the valuation of the related reinsurance recoverables will also be impacted. Further details on the calculation approach for Solvency II reinsurance recoverables are included in section D.2.8.
10	**Insurance and intermediaries receivables, Reinsurance receivables**	Given their short-term nature, the carrying amount in the statutory accounts is considered to represent the fair value for these assets under Solvency II. The balances only include amounts past due as amounts not yet due are included in the cash flow projections of technical provisions and reinsurance recoverables.
11	**Receivables (trade, not insurance)**	Receivables (trade, not insurance) are valued consistently for both the statutory and Solvency II valuation, with the exception of prepayments. For the statutory valuation, a prepayment asset is recognised in respect of payments for expenses that relate to future periods. No value is assigned to prepayments under Solvency II as they cannot be sold separately to a third party.
12	**Cash and cash equivalents**	Cash and cash equivalents are valued at par and comprise of cash balances that are usable for all forms of payments without penalty or restriction. There is no difference between the statutory and Solvency II valuations.

D.1.3 Analysis of deferred tax

Deferred tax assets on the Solvency II balance sheet are recognised by reference to expected future taxable profits and valued based on the difference between the carrying value of the asset on the balance sheet and its tax base. Deferred tax assets and liabilities are recognised separately to the extent that the deferred tax asset cannot be offset against corresponding deferred tax liabilities. Deferred tax assets and deferred tax liabilities are only offset if there is a legally enforceable right to do so and they relate to taxes levied by the same tax authority on the same taxable undertaking. They are comprised as shown in the table below. Deferred tax assets are treated as Tier 3 capital in Basic Own Funds for the PGH Group and its insurance subsidiaries. Further details are set out in section E.1.

The standard rate of UK corporation tax for the accounting period is 23.5% (2022: 19%).

An increase from the 19% UK corporation tax rate to 25%, effective from 1 April 2023, was announced in the Budget on 3 March 2021, and substantively enacted on 24 May 2021. This corporation tax rate change has been reflected in Solvency II deferred tax assets and liabilities.

The table below summarises the Solvency II deferred tax assets and liabilities compared to the statutory accounts value for the Group and its insurance subsidiaries for the year ended 31 December 2023. PLAL, SLAL, SLPF and PA(GI) have no deferred tax assets and liabilities.

Deferred tax assets Item	PGH Group £m
Trade and capital losses carried forward	326
Expense and deferred acquisition costs carried forward	395
Accelerated capital allowances	28
Other temporary differences	(10)
Offset of deferred tax asset and liabilities in Solvency II	(382)
Total Solvency II deferred tax assets	**357**
Reversal of offset of deferred tax asset and liabilities in Solvency II	382
Valuation adjustments	26
Offset of deferred tax asset and liabilities in IFRS	(622)
Total statutory accounts value of deferred tax assets	**143**

Deferred tax liabilities Item	PGH Group £m
Technical provisions	(1,203)
Shareholder future bonus transfers	(384)
Unrealised gains on investments	(309)
Pension scheme surplus	(94)
Acquired on in-force business	48
Other temporary differences	(8)
Offset of deferred tax asset and liabilities in Solvency II	382
Total Solvency II deferred tax liabilities	**(1,568)**
Reversal of offset of deferred tax asset and liabilities in Solvency II	(382)
Technical provisions	1,203
Shareholder future bonus transfers	384
Pension scheme surplus	(5)
Acquired on in-force business	(409)
Other temporary differences	(129)
Offset of deferred tax asset and liabilities in IFRS	622
Total statutory accounts value of deferred tax liabilities	**(284)**

Valuation for solvency purposes continued

D.1 Assets continued

D.1.3 Analysis of deferred tax continued

Deferred tax assets Item	PLL £m	RAL £m	RLL £m	SLOC £m
Trade and capital losses carried forward	82	17	2	9
Expense and deferred acquisition costs carried forward	250	94	5	16
Accelerated capital allowances	3	5	–	–
Other temporary differences	35	–	–	(18)
Offset of deferred tax asset and liabilities in Solvency II	(215)	(116)	(7)	–
Total Solvency II deferred tax assets	155	–	–	7
Reversal of offset of deferred tax asset and liabilities in Solvency II	215	116	7	–
Valuation adjustments	(32)	–	1	52
Offset of deferred tax asset and liabilities in UK GAAP/IFRS	(183)	(99)	(8)	(24)
Total statutory accounts value of deferred tax assets	155	17	–	35

Deferred tax liabilities Item	PLL £m	RAL £m	RLL £m	SLOC £m
Technical provisions	(842)	(320)	(12)	(29)
Shareholder future bonus transfers	(330)	(54)	–	–
Unrealised gains on investments	(124)	(131)	(53)	2
Pension scheme surplus	(2)	–	–	(2)
Acquired on in-force business	–	48	–	–
Other temporary differences	(66)	–	–	22
Offset of deferred tax asset and liabilities in Solvency II	215	116	7	–
Total Solvency II deferred tax liabilities	(1,149)	(341)	(58)	(7)
Reversal of offset of deferred tax asset and liabilities in Solvency II	(215)	(116)	(7)	–
Technical provisions	842	320	12	29
Shareholder future bonus transfers	330	54	–	–
Acquired on in-force business	(19)	–	–	–
Other temporary differences	17	(48)	(3)	(53)
Offset of deferred tax asset and liabilities in UK GAAP/IFRS	183	99	8	24
Total statutory accounts value of deferred tax liabilities	(11)	(32)	(48)	(7)

Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable.

PGH Group deferred tax assets have not been recognised in respect of:	PLL £m	RAL £m	RLL £m	SLOC £m
Tax losses carried forward	–	–	3	104
Intangible assets	–	–	–	24
Deferred tax assets not recognised on capital losses	–	–	–	308

Life company deferred tax assets have not been recognised in respect of:	PLL £m	RAL £m	RLL £m	SLOC £m
Tax losses carried forward	–	–	1	–
Deferred tax assets not recognised on capital losses	–	51	–	–

The Group also has £635 million of BLAGAB (life business) gross trading losses carried forward as at 31 December 2023 across PLL, RAL and SLOC (2022: £456 million of losses across PLL, PLAL and RAL). Of the £635 million gross trading losses, a deferred tax asset was recognised in respect of £623 million of gross trading losses (2022: £164 million of losses). The remaining £12 million of gross trading losses are projected to be utilised, however no value has been attributed to these deferred tax assets given the interaction with other deductible temporary differences (2022: £158 million of losses). In 2022 deferred tax assets were not recognised in respect of the remaining £134 million of gross trading losses due to the uncertainty of future trading profits against which the losses could be offset.

There is a technical matter which is currently being discussed with HMRC in relation to the L&G insurance business transfer to ReAssure Limited. These discussions are not sufficiently progressed at this stage for recognition of any potential tax benefit arising.

D.1.4 Leases

The Group holds investment properties which are let out to lessees under operating leases. Where investment property is leased out by the Group, rental income from these leases is recognised in the statutory income statement on a straight-line basis over the period of the lease.

Certain investment properties held by the life companies possess a ground rent obligation. Under IFRS 16, this gives rise to both a right-of-use asset and a lease liability. The right-of-use asset associated with the ground rent obligation is valued at fair value and is included within the total investment property valuation. The value of the ground rent right-of-use asset as at 31 December 2023 was £15 million (2022: £21 million).

Lease arrangements where the Group acts as the lessee are disclosed in section A.

D.2 Technical provisions

D.2.1 Introduction

This section provides the following information on the Solvency II technical provisions:

- valuation of Solvency II technical provisions split by lines of business ('LoB');
- a description of the bases, methodology and main assumptions used in the valuation of the Solvency II technical provisions;
- a quantitative and qualitative explanation of material differences between the valuations under Solvency II and statutory technical provisions; and
- a description of the level of uncertainty in Solvency II technical provisions.

Solvency II technical provisions are calculated as the sum of the Best Estimate Liabilities ('BEL') and the Risk Margin ('RM') less the Transitional Measure on Technical Provisions ('TMTP'), calculated in line with PRA approvals.

The Matching Adjustment is applied to the risk-free curve used for discounting liabilities in the Matching Adjustment portfolios only and has the effect of reducing technical provisions. The Group has PRA approval to apply a Matching Adjustment to all liabilities in the PLL and RAL Matching Adjustment portfolios.

Of the Group's insurance subsidiaries, regulatory approval is in place from the PRA for the application of the Volatility Adjustment to certain lines of business in RAL only.

No allowance is made for the transitional measure on interest rates.

The PRA have also approved the use of TMTP applied to liabilities in PLL and RAL. Transitional measures are aimed at providing a smooth transition between the technical provisions under the previous Solvency I regulatory regime and the technical provisions under the Solvency II regulatory regime.

Further details on the application of Matching Adjustment, TMTP and Volatility Adjustments can be found in sections D.2.7.1 – D.2.7.3.

D.2.2 Technical provisions by line of business

The LoBs relevant to each insurance subsidiary are set out in the table below. PLAL, SLPF and PA(GI) held no technical provisions as at 31 December 2023.

	PLL	SLAL	RAL	RLL	SLOC
Insurance with-profit participation	✓	–	✓	–	✓
Index-linked and unit-linked insurance	✓	✓	✓	✓	✓
Health insurance	✓	–	✓	✓	–
Other life insurance	✓	–	✓	✓	✓
Health reinsurance	✓	–	–	–	–
Life reinsurance	✓	–	✓	✓	–

The tables below summarise the Group and insurance subsidiaries' technical provisions as at 31 December 2023 by Solvency II LoB. The amount of BEL, risk margin, technical provisions calculated as a whole and TMTP are shown separately, as applicable.

Table D.2.2.1a Technical provisions by Line of Business – PGH Group

31 December 2023 Technical provisions by Line of Business	Insurance with-profit participation £m	Index-linked and unit linked insurance £m	Health insurance £m	Other life insurance £m	Accepted reinsurance £m	Total technical provisions £m
Best Estimate Liabilities	43,640	(4,831)	307	44,196	385	83,697
Risk margin	166	411	6	382	12	977
Technical provisions as a whole	–	181,271	4	–	–	181,275
TMTP adjustment	(602)	(541)	(9)	(626)	(22)	(1,800)
Gross technical provisions	43,204	176,310	308	43,952	375	264,149
Reinsurance	(8)	(9,647)	(153)	(6,392)	(9)	(16,209)
Net technical provisions	43,196	166,663	155	37,560	366	247,940

Table D.2.2.2a Technical provisions by Line of Business – PLL

31 December 2023 Technical provisions by Line of Business	Insurance with-profit participation £m	Index-linked and unit linked insurance £m	Health insurance £m	Other life insurance £m	Accepted reinsurance £m	Total technical provisions £m
Best Estimate Liabilities	25,353	(2,637)	76	33,659	11,195	67,646
Risk margin	124	245	2	263	(2)	632
Technical provisions as a whole	–	122,853	–	–	682	123,535
TMTP adjustment	(579)	(432)	(6)	(511)	(9)	(1,537)
Gross technical provisions	24,898	120,029	72	33,411	11,866	190,276
Reinsurance	(5)	(9,325)	(60)	(4,723)	(609)	(14,722)
Net technical provisions	24,893	110,704	12	28,688	11,257	175,554

D.2 Technical provisions continued

D.2.2 Technical provisions by line of business continued

Table D.2.2.3a Technical Provisions by Line of Business – PLAL

Following the funds merger, there are no technical provisions in PLAL at 31 December 2023.

Table D.2.2.4a Technical provisions by Line of Business – SLAL

Following the funds merger, gross technical provisions in SLAL at 31 December 2023 are less than £1 million and are wholly reinsured to PLL. They relate to unit-linked business. Details are included in the QRT S.12.01.02 in Appendix 4.3.

Table D.2.2.5a Technical provisions by Line of Business – SLPF

Following the funds merger, there are no technical provisions in SLPF at 31 December 2023.

Table D.2.2.6a Technical provisions by Line of Business – RAL

31 December 2023 Technical provisions by Line of Business	Insurance with-profit participation £m	Index-linked and unit linked insurance £m	Health insurance £m	Other life insurance £m	Accepted reinsurance £m	Total technical provisions £m
Best Estimate Liabilities	8,066	(1,160)	81	8,794	(71)	15,710
Risk margin	13	76	3	101	13	206
Technical provisions as a whole	–	32,522	–	–	38	32,560
TMTP adjustment	(23)	(109)	(3)	(115)	(13)	(263)
Gross technical provisions	8,056	31,329	81	8,780	(33)	48,213
Reinsurance	(4)	(380)	–	133	–	(251)
Net technical provisions	8,052	30,949	81	8,913	(33)	47,962

Table D.2.2.7a Technical provisions by Line of Business – RLL

31 December 2023 Technical provisions by Line of Business	Insurance with-profit participation £m	Index-linked and unit linked insurance £m	Health insurance £m	Other life insurance £m	Accepted reinsurance £m	Total technical provisions £m
Best Estimate Liabilities	–	(249)	(5)	489	–	235
Risk margin	–	1	–	–	–	1
Technical provisions as a whole	–	5,436	4	–	125	5,565
Gross technical provisions	–	5,188	(1)	489	125	5,801
Reinsurance	–	249	6	(489)	–	(234)
Net technical provisions	–	5,437	5	–	125	5,567

Table D.2.2.8a Technical provisions by Line of Business – SLOC

31 December 2023 Technical provisions by Line of Business	Insurance with-profit participation £m	Index-linked and unit linked insurance £m	Health insurance £m	Other life insurance £m	Accepted reinsurance £m	Total technical provisions £m
Best Estimate Liabilities	295	(20)	–	1,724	1	2,000
Risk margin	–	16	–	6	–	22
Technical provisions as a whole	–	5,091	–	–	–	5,091
Gross technical provisions	295	5,087	–	1,730	1	7,113
Reinsurance	–	(6)	–	(1,553)	–	(1,559)
Net technical provisions	295	5,081	–	177	1	5,554

D.2 Technical provisions continued

D.2.2 Technical provisions by line of business continued

Table D.2.2.1b Material differences between IFRS and Solvency II technical provisions – PGH Group

The table below outlines separately for each LoB, the material differences between the bases, methods and main assumptions used for Solvency II and those used for IFRS.

Technical provisions – IFRS to Solvency II reconciliation	Insurance with-profit participation £m	Index-linked and unit linked insurance £m	Health insurance £m	Other life insurance £m	Life insurance £m	Total technical provisions £m
IFRS technical provisions – gross	49,468	177,208	204	46,657	208	273,745
Add liabilities classified as held for sale	–	4,780	–	–	–	4,780
Longevity derivative assets and liabilities	–	–	–	(196)	–	(196)
Reclassification of insurance (payables)/receivables	(833)	(374)	–	99	(5)	(1,113)
Statutory accounts value technical provisions – gross[1]	48,635	181,614	204	46,560	203	277,216
IFRS reinsurers' share	(585)	(9,665)	(145)	(4,007)	1	(14,401)
Add assets classified as held for sale	–	(28)	–	–	–	(28)
Longevity derivative assets and liabilities	–	–	–	65	–	65
Reclassification of reinsurance receivables/(payables)	13	16	–	(4,004)	(1)	(3,976)
Statutory accounts value reinsurance recoverable[2]	(572)	(9,677)	(145)	(7,946)	–	(18,340)
Statutory accounts value technical provisions – net	48,063	171,937	59	38,614	203	258,876
Valuation differences	(4,431)	(5,144)	99	(810)	173	(10,113)
Solvency II Best Estimate Liabilities/TP as a whole – net	43,632	166,793	158	37,804	376	248,763
Add risk margin	166	411	6	382	12	977
Deduct transitional adjustments	(602)	(541)	(9)	(626)	(22)	(1,800)
Solvency II technical provisions – net	43,196	166,663	155	37,560	366	247,940
Solvency II reinsurance	8	9,647	153	6,392	9	16,209
Solvency II technical provisions – gross	43,204	176,310	308	43,952	375	264,149

1 The statutory accounts value of gross technical provisions (for Insurance and Investment contracts) of £277,216 million is different to the IFRS value of £273,745 million reported in the PGH Annual Report and Accounts for year ended 31 December 2023, due to presentational differences in respect of liabilities reported as held for sale under IFRS and longevity arrangements which PLL has in place with corporate pension schemes. The longevity arrangements are recognised as financial instruments under IFRS whereas under Solvency II, they are recognised within technical provisions.

2 The statutory accounts value of reinsurance recoverable (for Insurance and Investment contracts) of £18,340 million is different to the IFRS value of £14,401 million reported in the PGH Annual Report and Accounts for year ended 31 December 2023, due to presentational differences with respect to reinsurance payables and receivables balances, together with the equivalent presentational differences on reinsurance recoverables arising from the held for sale classification and treatment of longevity arrangements under IFRS.

Table D.2.2.2b Material differences between IFRS and Solvency II technical provisions – SLOC

Technical provisions – IFRS to Solvency II reconciliation	Insurance with-profit participation £m	Index-linked and unit linked insurance £m	Health insurance £m	Other life insurance £m	Life insurance £m	Total technical provisions £m
IFRS technical provisions – gross	317	5,384	–	1,682	1	7,384
Presentational differences	(3)	(165)	–	94	–	(74)
Statutory accounts value technical provisions – gross	314	5,219	–	1,776	1	7,310
IFRS reinsurers' share	–	(19)	–	28	–	9
Presentational differences	–	18	–	(1,614)	–	(1,596)
Statutory accounts value reinsurance recoverable	–	(1)	–	(1,586)	–	(1,587)
Statutory accounts value technical provisions – net	314	5,218	–	190	1	5,723
Valuation difference	(19)	(153)	–	(19)	–	(191)
Solvency II Best Estimate Liabilities/ TP as a whole – net	295	5,065	–	171	1	5,532
Add risk margin	–	16	–	6	–	22
Solvency II technical provisions – net	295	5,081	–	177	1	5,554
Solvency II reinsurance	–	6	–	1,553	–	1,559
Solvency II technical provisions – gross	295	5,087	–	1,730	1	7,113

D.2 Technical provisions continued

D.2.2 Technical provisions by line of business continued

Valuation Differences Between IFRS and Solvency II Technical Provisions

An explanation of the material differences between the IFRS valuation for technical provisions and that used for Solvency II is included below:

Item	Description
Assumption differences	• Discount rates used for both Solvency II and IFRS combine a risk free rate and an illiquidity premium, referred to as the matching adjustment under Solvency II. The differences arise primarily from variations in the approach to calculating the illiquidity premium and from the business lines to which the illiquidity premium is applied. The Solvency II matching adjustment is applied to liabilities in matching adjustment portfolios only, whereas under IFRS it applies to a broader range of business lines. The matching adjustment is derived from the credit spread on the assets held in the matching adjustment portfolios at the balance sheet date, less a margin for defaults and downgrades calculated using PRA-specified assumptions. Under IFRS, the illiquidity premium is based on the credit spreads of a reference portfolio of assets with an allowance for the Group's best estimate for defaults and downgrades, derived utilising an internally developed credit model. The reference portfolio used to determine the IFRS illiquidity premium is based on the Group's strategic asset allocation, which sets out the target level of investment in a range of asset classes, with the yield on those asset classes determined based on the fair value of assets in that class held at the balance sheet date. Additionally, there is a difference in the treatment of equity release mortgages ('ERMs'). The Solvency II matching adjustment is based on the yield from the internal securitisations of the ERMs, whereas the IFRS illiquidity premium is derived from the higher yield associated with the underlying ERM loans themselves. • Under IFRS, expense assumptions at the Group level reflect actual costs incurred in administering the contracts, removing any internal margins. Under Solvency II, expense assumptions reflect the internal expense arrangements at both Group and insurance subsidiary level.
Methodology differences	• Solvency II technical provisions include contracts that are classified as investment contracts under IFRS. Investment contract liabilities are measured at fair value, subject to a minimum equal to the surrender value. This means that future profits are not allowed for in the IFRS investment contract liability. In contrast, the Solvency II technical provisions for these contracts includes the future profits expected to emerge within the contract boundary as determined in accordance with the regulations. • Solvency II technical provisions include the transitional measures on technical provisions ('TMTP'), for which there is no equivalent under IFRS. • IFRS technical provisions recognise a contractual service margin ('CSM'), representing the unearned profit that the company will recognise over the life of the contract. The CSM is not recognised under Solvency II. • IFRS technical provisions include a risk adjustment calculated using a confidence level technique based on analysis of the risk profiles of groups of contracts, whereas the risk margin under Solvency II is calculated using a cost of capital approach. • Under IFRS 17, the best estimate liabilities are increased to distribute the estate to with-profits policyholders. There is no equivalent allowance within Solvency II technical provisions, with the surplus funds of the with-profit funds recognised as a component of Own Funds, subject to ring-fenced funds availability restrictions (see Section E.1.3.3).

Table D.2.2.3b Material differences between UK GAAP and Solvency II technical provisions – PLL

Technical provisions – UK GAAP to Solvency II reconciliation	Insurance with-profit participation £m	Index-linked and unit linked insurance £m	Health insurance £m	Other life insurance £m	Life insurance £m	Total technical provisions £m
UK GAAP technical provisions – gross	27,481	123,100	76	36,098	12,838	199,593
Longevity derivative assets and liabilities	–	–	–	(196)	–	(196)
Statutory accounts value technical provisions – gross	27,481	123,100	76	35,902	12,838	199,397
UK GAAP reinsurers' share	(5)	(9,329)	(60)	(6,260)	(609)	(16,263)
Longevity derivative assets and liabilities	–	–	–	65	–	65
Statutory accounts value reinsurance recoverable	(5)	(9,329)	(60)	(6,195)	(609)	(16,198)
Statutory accounts value technical provisions – net	27,476	113,771	16	29,707	12,229	183,199
Valuation difference	(2,128)	(2,880)	–	(771)	(961)	(6,740)
Solvency II Best Estimate Liabilities/TP as a whole – net	25,348	110,891	16	28,936	11,268	176,459
Add risk margin	124	245	2	263	(2)	632
Deduct transitional adjustments	(579)	(432)	(6)	(511)	(9)	(1,537)
Solvency II technical provisions – net	24,893	110,704	12	28,688	11,257	175,554
Solvency II reinsurance	5	9,325	60	4,723	609	14,722
Solvency II technical provisions – gross	24,898	120,029	72	33,411	11,866	190,276

D.2.2.4b Material differences between UK GAAP and Solvency II technical provisions – PLAL

Following the funds merger there are no technical provisions in PLAL at 31 December 2023.

D.2.2.5b Material differences between UK GAAP and Solvency II technical provisions – SLAL

Following the funds merger there are no material differences between UK GAAP and Solvency II technical provisions at 31 December 2023.

D.2.2.6b Material differences between UK GAAP and Solvency II technical provisions – SLPF

Following the funds merger there are no technical provisions in SLPF at 31 December 2023.

D.2 Technical provisions continued

D.2.2 Technical provisions by line of business continued

Table D.2.2.7b Material differences between UK GAAP and Solvency II technical provisions – RAL

Technical provisions – UK GAAP to Solvency II reconciliation	Insurance with-profit participation £m	Index-linked and unit linked insurance £m	Health insurance £m	Other life insurance £m	Life insurance £m	Total technical provisions £m
Statutory accounts value/UK GAAP technical provisions – gross	8,720	32,655	85	9,152	183	50,795
UK GAAP reinsurers' share	(4)	(386)	–	(94)	–	(484)
Statutory accounts value/UK GAAP technical provisions – net	8,716	32,269	85	9,058	183	50,311
Valuation difference	(654)	(1,287)	(4)	(130)	(216)	(2,291)
Solvency II Best Estimate Liabilities/TP as a whole – net	8,062	30,982	81	8,928	(33)	48,020
Add risk margin	13	76	3	100	13	205
Deduct transitional adjustments	(23)	(109)	(3)	(115)	(13)	(263)
Solvency II technical provisions – net	8,052	30,949	81	8,913	(33)	47,962
Solvency II reinsurance	4	380	–	(133)	–	251
Solvency II technical provisions – gross	8,056	31,329	81	8,780	(33)	48,213

Table D.2.2.8b Material differences between UK GAAP and Solvency II technical provisions – RLL

Technical provisions – UK GAAP to Solvency II reconciliation	Insurance with-profit participation £m	Index-linked and unit linked insurance £m	Health insurance £m	Other life insurance £m	Life insurance £m	Total technical provisions £m
Statutory accounts value/UK GAAP technical provisions – gross	–	5,465	8	518	125	6,116
UK GAAP reinsurers' share	–	(30)	(3)	(518)	–	(551)
Statutory accounts value reinsurance recoverable	–	(30)	(3)	(518)	–	(551)
Statutory accounts value technical provisions – net	–	5,435	5	–	125	5,565
Solvency II Best Estimate Liabilities/TP as a whole – net	–	5,435	5	–	125	5,565
Add risk margin	–	2	–	–	–	2
Solvency II technical provisions – net	–	5,437	5	–	125	5,567
Solvency II reinsurance	–	(249)	(6)	489	–	234
Solvency II technical provisions – gross	–	5,188	(1)	489	125	5,801

Valuation Differences Between UK GAAP and Solvency II Technical Provisions

An explanation of the material differences between the UK GAAP valuation for technical provisions and that used for Solvency II is included below:

Item	Description
Change in restriction for negative sterling reserves	The term 'sterling reserves' refers to reserves set aside to cover future cash flow obligations on unit-linked policies, over and above the value of units held. Under UK GAAP, sterling reserves are not recognised where they are negative (i.e. where future charges are in excess of expenses). For Solvency II, negative sterling reserves are allowed as a reduction to technical provisions.
Demographic margin	A margin for demographic risk is included within the UK GAAP technical provisions for the non-profit funds. This item is based on a percentage of undiversified demographic risk capital, relating to mortality, longevity, persistency and expenses. Solvency II does not require this margin to be held over and above best estimate.
Annuity profit margin	Annuity profit margin includes future profits expected to be recognised when deferred annuities vest from the with-profit funds into the Matching Adjustment portfolio. Under Solvency II, there is no allowance for the reserving of the profit margin. For UK GAAP this profit margin is included within unallocated surplus.
Policyholders' share of estate	The proportion of the with-profit estate which is expected ultimately to be distributed to policyholders is included within technical provisions on the UK GAAP basis. For Solvency II, it is recognised as surplus funds (being accumulated profits which have not been made available for distribution to policyholders or other beneficiaries) and is not recognised within technical provisions but instead as an item of Own Funds. Further details are included in section E.1.
Prepayments	Under UK GAAP, the Life Companies recognise a prepayment relating to payment for transfer of certain risks to Service Companies. An offsetting amount is also held within technical provisions to recognise the future charge that will be incurred as the prepayment is released. For Solvency II, the prepayment cannot be recognised, as it is considered to not have any economic value, and therefore the liability held within technical provisions is released.
Other	Other items included in the valuation difference comprise: • the impact of reallocation of reserves in the with-profit funds between the two bases; • the costs for any known mandatory requirements; • product development and exceptional costs committed to be incurred in the year after the valuation date; and • ex-gratia payments if additional costs (e.g. legal) would be expected if the payments were not made.

D.2 Technical provisions continued

D.2.2 Technical provisions by line of business continued

The fund for future appropriation under UK GAAP represents amounts which have yet to be allocated to the shareholder since the unallocated surplus attributable to policyholders has been included within UK GAAP technical provisions. Under Solvency II, the shareholder share of future bonuses forms part of Own Funds, and may be subject to a Ring Fenced Fund restriction.

D.2.3 Bases, methodology and main assumptions used for best estimate liabilities ('BEL')

Technical provisions represent the value of policyholder obligations, if these were to be transferred to a third party at the valuation date. For its insurance subsidiaries, the Group's approach is to value all actuarial liabilities based on the BEL plus the risk margin, except for unit funds which are valued as 'Technical Provisions as a whole'. The technical provisions for the Group and its insurance subsidiaries can be seen in section D.2.2 and, for the insurance subsidiaries only, in the S.12.01.02 technical provisions QRT, which have been disclosed in the appendices.

Sections D.2.3 to D.2.10 set out in detail the bases, methodology and main assumptions used to derive the BEL. Risk margin methodology is covered in section D.2.11.

D.2.3.1 Best Estimate Liability

BEL is calculated gross, without any deduction for amounts recoverable on reinsurance contracts. Reinsurance recoverables are valued separately, recognised as a reinsurance asset and calculated in the same manner as the BEL (see section D.2.8 for further details).

All assumptions are updated to reflect current economic conditions and demographic experience. Material changes to the relevant assumptions made in the calculation of technical provisions are covered in section D.2.5.

For the majority of policies which have rider contracts (an additional provision attached to an insurance policy), the rider is separated from the main contract for valuation purposes. For example, a term assurance rider contract attached to a unit-linked pension policy is treated as a separate stand-alone term assurance contract. This ensures appropriate assumptions are used to value the rider contract.

The following section details the methodology and key assumptions used to calculate the BEL.

D.2.3.2 Overview of Methodology

A cash flow projection model is used to calculate BEL. This projects cash inflows and outflows required to meet obligations to policyholders over the lifetime of the policy, taking into account the undertaking's regulatory duty to treat its customers fairly.

The projection of future cash flows is performed using realistic assumptions regarding future experience. The key relevant assumptions include mortality, longevity, lapse rates, expenses and option take-up rates with allowance for any expected trends. An allowance is also made for future expenses.

The model takes account of the time value of money through discounting at an appropriate risk-free rate (see section D.2.3.3 below). The assessment of the expected cash flows underlying the BEL takes into account any taxation payments which are charged to policyholders, or which would be required to be made to settle the insurance obligations.

In certain specific circumstances, the best estimate may be negative (e.g. for some protection business where the value of future premiums exceeds the value of future claims and expenses). A negative BEL is permitted under the regulations.

D.2.3.3 Discount rates

For the purpose of calculating the Solvency II technical provisions, nominal discount rates, based on swap rates prescribed by the PRA are used. These rates vary by currency of liabilities. The vast majority of the Group's insurance obligations are denominated in sterling. The Group's main non-sterling currency exposure relates to euro denominated liabilities.

An adjustment (also specified by the PRA) is made to the swap curve for credit risk. At 31 December 2023, the sterling credit risk adjustment was zero and the euro credit risk adjustment was minus 10bps at each duration.

For certain liabilities, a matching adjustment or volatility adjustment is added to the basic risk-free yield curve (see section D.2.7).

D.2.3.4 Tax assumptions

The March 2021 Budget announced an increase in the corporation tax rate to 25% with effect from 1 April 2023 and the related Royal Assent was received in June 2021. Accordingly, deferred tax assets and liabilities, where provided for, are reflected at 25%.

D.2.3.5 Contract boundaries

Under the regulations the liability cash flows that need to be considered within the BEL are those that fall within the 'contract boundary'. The contract boundary is set at the point at which there is a unilateral right to terminate the contract or reject further premiums, reprice or change the benefits payable under the contract in such a way that the premiums fully reflect the associated risks. Depending on the features of the contract type, the contract boundary can vary (e.g. the contract boundary may be the original maturity date, the next policy anniversary or the valuation date).

The boundary used is based on a product level assessment which has been performed against the regulations.

In general, future premiums with no guarantees and no cap on charges are not included within the contract boundary, even where the policyholder has the right to invest future premiums into with-profits or a fund with a charge cap. In this case, the contract boundary is at the reporting date. Contracts investing in a combination of with-profits funds, funds with a charge cap and funds with no guarantee or charge cap are unbundled to allow for different contract boundaries on the different parts of the contract. For the avoidance of doubt, all related cash flows in respect of premiums paid up to and including the reporting date are included in the calculation of technical provisions.

D.2.3.6 Grouping of liability data

The majority of policies are grouped into model points to improve computational efficiency. Groups are selected so that the model points appropriately allow for the risk characteristics of the individual policies and do not distort the valuation of BEL.

As an exception to this, there is no model point grouping for the business in the RAL Guardian With-Profit Fund and SLOC funds (excluding GAO business) where the valuation is performed on an individual policy basis.

D.2.4 Calculation

The following sub-sections outline how each type of BEL is valued.

D.2.4.1 Insurance with-profit participation

The BEL is typically calculated as the sum of:

- asset shares – the value (as at the valuation date) of the underlying policy cash flows accumulated at the investment returns earned historically on assets backing those policies;
- the market-consistent cost of guarantees and smoothing as these may give rise to claim payments greater than the asset shares; and
- other with-profit future policyholder related liabilities, which includes future discretionary benefits and any remaining options and guarantees.

The SLOC with-profit fund uses a prospective method. A best estimate deterministic cash flow model projects future fund values, policy guarantees and cash flows using best estimate assumptions, which are then discounted using the PRA yield curve.

D.2 Technical provisions continued

D.2.4 Calculation continued

D.2.4.1 Insurance with-profit participation continued

Cost of options and guarantees

A range of options and guarantees exist. As the cost of an option or guarantee will vary depending on future economic conditions, stochastic methods are used to value the majority of them (see section D.2.6 for further details) and these are included in the BEL.

Investment mix of asset shares

As the value of options and guarantees can depend on the projected asset share, the stochastic model requires assumptions about the current and future mix of investments held within the asset shares. These assumptions reflect the asset share pools as described in each with-profit fund's Principles and Practices of Financial Management ('PPFM').

The change to the asset mix of these asset share pools varies over time as described in the PPFM; certain funds will retain a static mix based on the assets backing asset shares at the valuation date, others will vary from an initial mix to a long-term strategic mix.

D.2.4.2 Other life insurance (including health)

The BEL for the annuity business is the present value of future annuity payments and associated policy administration expenses less any future premiums payable. For non-pension annuities, the annuity payments may include policyholder tax on the income element of any payments.

For other business, BEL represents a realistic assessment of the present value of projected claims payments, plus expenses less premium income.

D.2.4.3 Index-linked and unit-linked business

The unit-linked liability is a combination of the unit fund, which are treated as "technical provisions as a whole", and the BEL. The BEL is calculated as the discounted value of future expected fee income less expenses using risk-free rates of return and best estimate assumptions.

D.2.5 Demographic and expense assumptions

Actuarial assumptions have been reviewed throughout the year, resulting in updates to a number of the assumptions. The most significant changes were in respect of longevity, mortality and expenses. Updates to longevity base and improvement assumptions led to a release of reserves, reflecting latest experience analysis and lower rates of future improvements. This impact was partially offset by a strengthening of mortality assumptions on assured lives business. Updates to expense assumptions led to an overall increase in reserves, principally driven by an increase in anticipated costs to deliver the Group Target Operating Model for IT and Operations, including the migration of policyholder administration onto the TCS platform, partially offset by a reduction in expected investment expenses reflecting changes to investment strategy that have led to lower fees being payable to external asset managers and resulted in enhanced policyholder value.

In addition, there were favourable changes to persistency assumptions largely arising from unit-linked policyholders retiring later, which is consistent with trends on other business. Favourable updates were made to investment expense assumptions following investment strategy changes which reduces the fees we pay to asset managers. Additionally, updates were made to ERM assumptions (prepayment and service cost) and morbidity assumptions on German business.

All demographic and expense assumptions are determined on a best estimate basis (i.e. they include no allowance for prudence). Any changes to external factors are also taken into account when determining the best estimate assumptions.

Assumptions are set in accordance with the regulations. In particular, they:

- are applicable to homogenous risk groups and LoBs within each insurance subsidiary;
- are based on knowledge of the business and practices for managing the business; and
- ensure appropriate allowance for anticipated trends or future changes in the Group and its insurance subsidiaries and portfolio specific factors as well as legal, technological, social, economic or environmental factors.

Typically assumptions are reviewed annually, however for less material assumptions the updates may be less frequent.

The assumption setting process involves analysing experience data from the last two to ten years. This ensures data is detailed enough to allow credible statistical analysis to be performed and emerging trends to be identified.

For example, in order to set a particular assumption for a particular group of policies, the annual percentage of policies subject to the relevant decrement (for example, lapses, death) over the last five years is typically considered. The actual rates observed over the last five years are then compared to the best estimate assumption being used to value the BEL. Where the best estimate assumption is materially out of line with actual experience, changes to the best estimate assumption are considered.

Validations are performed to ensure the experience data is accurate, relevant and credible. Other industry data (e.g. industry trend data) may also be used to supplement the Group's experience data, where relevant and credible.

Expert judgement is applied to assess the impact on the proposed assumption of one-off events and likely future policyholder behaviour. It is also used where there is insufficient credible experience/other data to set the assumption.

Due to the effect of the COVID-19 pandemic, during 2020 and 2021 the number of deaths were significantly higher than in previous years. Based on the judgement that this was an exceptional period, the majority of experience data relating to the height of the pandemic was excluded. It was however observed that the 2022 – 2023 UK population mortality remains higher than the experience pre-pandemic. In setting the longevity and mortality assumptions for 31 December 2023, we have made partial allowance for this experience persisting in future years.

Key best estimate demographic assumptions are:

- Early and late retirement rates;
- Lapse rates;
- Option take-up rates (e.g. early retirement options, Guaranteed Annuity Options ('GAO'))
- Mortality rates (using base table and future improvement rates);
- Income Drawdown rates;
- Premium escalation rates; and
- Rate of conversion from premium paying to paid up status.

Other less material best estimate assumptions include morbidity rates and cash withdrawal rates on bonds.

D.2 Technical provisions continued

D.2.5 Demographic and expense assumptions continued

D.2.5.1 Mortality

Base annuitant mortality

The base table mortality assumption review for annuitants is based on individual insurance subsidiary mortality experience primarily over a four or five year period.

Criteria used to subdivide fund level data into homogenous risk groups are gender, product group, smoker status and ex-entity (i.e. the original company that sold the policy to the policyholder). However for impaired life annuities, underwriting class is also used. RAL also applies some aggregation to less material annuitant blocks based on broad socioeconomic class groupings.

The main mortality tables currently in use are from the '16 Series' of base mortality tables supplied by the Continuous Mortality Investigation ('CMI'). A small volume of RAL and SLOC business has not been migrated to '16 Series' and uses base mortality tables from the 'S3 series' and the '08 series'. These tables represent a best estimate view of the shape of the underlying mortality rates by age and gender. A base mortality multiplier is then applied to the table so that the assumptions align to the underlying experience.

A separate allowance is made for future mortality improvements applicable after the valuation date, which are detailed below.

Pre-vesting mortality

Pre-vesting mortality assumptions apply to products such as term assurances and endowments.

The assumption review is based on mortality experience primarily over a five-year period. Criteria used to subdivide fund level data are gender, product group, smoker status and ex-entity.

A base mortality multiplier that varies by gender is applied to a standard mortality table. Adjustments may be made to the mortality table to take account of changes in mortality improvements since the table was published.

Base multiplier and mortality assumptions are selected that are in line with the underlying experience data plus adjustments as deemed appropriate. In some cases, age specific percentages are used where they better match experience.

The main standard mortality tables currently in use are AX92, TX92, AXC00, ELT14 and TX00.

Additionally, company specific tables are used to value term policies and certain individual policies which include total and permanent disability benefits.

Future improvement in mortality rates

For immediate annuities, deferred annuities or products with GAOs or Guaranteed Minimum Pension ('GMP') guarantees and for certain whole of life and term assurance business, a separate allowance for future improvements in mortality rates is made when calculating technical provisions.

For annuity business, the future improvement assumption is a material assumption and it is expressed using an industry model (the CMI projections model) which firstly fits a model to England and Wales historic population data. The CMI model then uses assumptions regarding the rate of convergence from the recent historic rates to an appropriate long-term rate of future improvement. Internal models are used to set and validate these assumptions. The published projection model currently in use is the CMI_2022 projections model which uses historic data up to 31 December 2022. As a result of the COVID-19 pandemic, the numbers of deaths were exceptionally high during 2020-2022. Therefore, based on expert judgement, no weight was placed on the data from those years in the CMI_2022 model except for SLOC where 2022 experience was weighted by 25%.

For certain whole of life and term assurance business, the future improvement assumption is less material and a single rate of future improvement assumption is used.

Future deterioration in critical illness rates

For certain RLL business providing stand-alone and accelerated critical illness cover, a future deterioration assumption is used. It is assumed that the rate of deterioration is the same for all future years.

D.2.5.2 Persistency

The lapse rate assumption review (including retirement, withdrawal and paid up rates) for PLL is based on experience primarily over a five-year period, splitting policies into homogeneous risk groups and identifying an assumption for the group as a whole. Criteria used to subdivide fund level data varies across ex-entity but include product type, premium payment status (i.e. regular premium or single premium/paid up), duration of business, policyholder age and territory. Where experience data is insufficient to perform a credible analysis, the experience from similar products may be aggregated. There are instances where the approach may differ due to data limitations or application of expert judgement. RAL business follows a similar process and aligned to using a five-year period in 2023.

With-profits contracts in Germany give the policyholder the option of increasing their premium each year, subject to limits. Assumptions are required for both the future eligibility to premium increases, and the take-up rate. The assumption varies by: product; policy term; and maximum indexation level selected at policy outset.

D.2.5.3 Early and late retirement rates

The assumption review for early and late retirement rates is based on experience primarily over a three to five year period. The criteria used to subdivide fund level data are product type and ex-entity. Late retirement rates are reviewed for those products where the assumption has a material impact on BEL.

In setting the assumptions, allowance is made for known or anticipated trends (e.g. changes in early and late retirement rates as a result of the interest rate environment or changes in pensions legislation).

D.2.5.4 Income drawdown rates

The assumption review is based on experience over a two-year period. Criteria used to subdivide fund level data are age, pot size and product type. Where experience data is insufficient to perform a credible analysis, the experience from similar products may be aggregated. The analysis is carried out by splitting policies into homogeneous risk groups and identifying an assumption for the group as a whole.

D.2.5.5 Option take-up rates

The current best estimate assumptions for GAO take-up rates are based on experience data since the implementation of the Pensions Freedoms Act in April 2015, which removed the requirement to take policy benefits in the form of an annuity.

GAO liabilities are valued using a stochastic model. The take-up rate for PLL varies depending on the projected interest rate at policy maturity date in each stochastic scenario. An upper and lower bound apply to the take-up rate based on the degree to which the guarantee is in the money (i.e. by how much the guaranteed annuity rate exceeds the current market annuity rate). For ex-SLAL's UK and Irish, RAL's National Mutual and Windsor Life and SLOC's GAO liabilities, the take-up rates do not vary dynamically.

The assumed GAO take-up rates across the different funds currently lie between 50% and 100%.

GAO take-up rates are also set on German business where rates vary by age and product type.

Deferred annuity business in RAL includes Guaranteed Cash Options. The liabilities are valued deterministically with an assumption for the proportion of benefits taken as an annuity rather than cash benefits. This assumption does not vary dynamically. Across different products the annuity take-up assumption varies between 60% and 84%.

D.2 Technical provisions continued

D.2.5 Demographic and expense assumptions continued

D.2.5.6 Expense assumptions

Future expense assumptions are set on a going concern basis, which assumes that Standard Life branded Pensions & Savings business, BPAs and vesting annuities, and SunLife protection business will continue to be written in future. It is assumed that other product lines remain substantively closed to new business. The expense assumptions reflect the anticipated impact of transition and integration activity, including the expected cost associated with policy migrations to the TCS platform.

Assumptions are set on a per policy basis, varying by product and/or fund. They are set with reference to per policy charges defined in the Master Services Agreements ('MSAs') signed with the Group's Service Companies for the provision of policy administration. Allowance has been made, where relevant, for the estimated impact of changes in per policy charges which may arise at the next charge review date. These charges are in respect of all administration costs and any associated overhead costs. RAL also has service agreements with some external companies. From RLL's perspective, these costs are guaranteed via an intra-group reinsurance arrangement with RAL.

The MSAs also define direct costs (e.g. regulatory and insurance fees) and project costs which are separately billed to the insurance companies as they are incurred. The future expense assumptions include allowances for some direct and project costs where applicable. For European business, future expense assumptions on a per policy basis are derived from an analysis of management expenses. This allows for all expenses incurred in servicing policies, including overheads, and also assumes that the company continues to write new business.

There are further services provided which are not covered by the MSAs as they were introduced after the current agreements were signed. Future expense assumptions also include allowances for these costs. An assessment is made of the material expenses expected to be incurred in future (for example, relating to regulatory project costs), based on known budgetary information and expert judgement.

There is no MSA in place for SLOC so an alternative approach is used based on SLOC's share of all administration costs and associated overhead costs.

At a Group level, adjustments are made to the Life Company expense assumptions where the charges to the Life Companies under the MSAs do not fully reflect the underlying external maintenance cost base.

Investment management expense assumptions include explicit inputs to the valuation models, as well as reductions to the investment returns used to calculate BEL. For with-profit funds and some non-profit funds investment expenses are set by considering the underlying asset mix of the asset shares and those assets backing liabilities.

D.2.6 Stochastic model

D.2.6.1 Economic Scenario Generators

An Economic Scenario Generator ('ESG') developed by a third party supplier has been used to support the stochastic valuation of all material options and guarantees in the with-profit funds. A stochastic methodology is required for options and guarantees due to their potential volatility and asymmetric behaviour under different sets of future economic scenarios. The stochastic methodology involves valuing the options and guarantees under 1,000 different future economic scenarios and then averaging over all scenarios. RAL values options and guarantees on 2,000 different scenarios for the base results and 1,000 for stresses. The central scenario in the ESG is equal to the single deterministic scenario used to value all non-profit and unit-linked business.

For RAL and SLOC, the ESG generates projected asset returns consistent with asset prices observed in financial markets and assumes no arbitrage opportunities exist. The calibration of the parameters and scenarios is consistent with the relevant risk-free interest rate term structure used to calculate the BEL provided by PRA. Where possible the ESG has been calibrated to assets from deep, liquid and transparent markets that are appropriate to the nature of the funds' options and guarantees.

D.2.6.2 Management actions

The methods and techniques for the estimation of future cash flows take account of potential future actions taken by management. The management actions allowed for are determined and justified in accordance with the regulations. Management actions in this context are mainly relevant to with-profit liabilities and, in the calculation of technical provisions, primarily relate to discretion over the amount of annual and final bonuses. In each ESG scenario, the level of annual future reversionary bonus applied to benefits is determined dynamically, and is set at a level such that the final bonus is targeted at a specified percentage of the guaranteed benefit.

Some reversionary bonuses are guaranteed at a specified minimum. Where this is the case the model uses the dynamic methodology as above, but applies a floor of the guaranteed minimum.

The final bonus rates are typically assumed to be adjusted in each scenario so as to correspond to the rate that can be covered by the difference between the asset share and the guaranteed benefit, including any reversionary bonuses. The overall final bonus is subject to a minimum of zero.

In addition, for RAL, the management actions include market value reductions (where the terminal bonus rate is allowed to fall below zero in certain circumstances) and the application of smoothing on bonus rates. The LGWPF also has dynamic asset allocation that allows the equity backing ratio to adjust for each ESG scenario. This adjustment occurs when the asset share to guaranteed benefit ratio passes certain trigger points.

D.2.6.3 Policyholder actions

The impact of policyholder actions is considered primarily in relation to GAO take-up rates, as these take-up rates are expected to be correlated with the financial benefit gained from the option, which is in turn highly correlated with the level of interest rates.

The central GAO take-up rate assumptions in the stochastic models are supported by the analysis of historical data. This analysis takes into account the following:

- how beneficial exercise of the option was and will be to policyholders under circumstances at the time of exercising the option;
- the influence of past and future economic conditions;
- the impact of past and future management actions; and
- any other circumstances that are likely to have influenced the decisions on whether to exercise the option (e.g. changes in legislation such as Pension Freedom legislation introduced in April 2015).

The modelling of RAL's cost of guarantees does not dynamically allow for policyholder behaviour.

D.2 Technical provisions continued

D.2.7 Solvency II long-term guarantee and transitional measures

Within PLL and RAL, regulatory approval has been received from the PRA for the application of:

- the Matching Adjustment, which is applied to all liabilities in the Matching Adjustment portfolios; and
- the TMTP which is applied to all liabilities.

Within RAL, regulatory approval has also been received for the application of the Volatility Adjustment, which applies to certain annuities in the Non-Profit Fund and guaranteed annuity rates, guaranteed annuity options and cash guarantees in the National Mutual With-Profit Fund ('NMWPF') and the With-Profit Fund ('WPF').

PLAL, SLAL, RLL, SLPF, SLOC and PA(GI) do not apply a Matching Adjustment or Volatility Adjustment or TMTP adjustment.

D.2.7.1 Matching Adjustment

The application of the Matching Adjustment allows insurers to use a (typically) higher discount rate when valuing liabilities that meet strict eligibility criteria, with the effect of increasing Own Funds and reducing the SCR. The assets and liabilities in each of the Matching Adjustment portfolios meet the Matching Adjustment eligibility criteria as set out in the regulations.

The Matching Adjustment is based on the expected yield from eligible assets held to back eligible liabilities, less a margin for defaults and downgrades (the 'fundamental spread'). It is applied as a flat increase to the Solvency II basic risk-free curve used to discount liabilities.

The calculation of the Matching Adjustment requires PRA-specified assumptions for the basic risk free curve and fundamental spreads. These assumptions are combined with asset and liability cash flows to generate the Matching Adjustment for each currency of liabilities.

The liabilities in the Matching Adjustment portfolio consist of sterling denominated non-profit immediate and deferred annuities. The immediate and deferred annuities provide policyholders with a mixture of level, fixed escalation and inflation linked benefits. There is also a relatively small block of non-profit euro denominated immediate annuities.

At the current valuation date, assets held to back liabilities in the Matching Adjustment portfolios include: fixed and index-linked government bonds; supranational bonds; corporate bonds; equity release mortgages ('ERM'); commercial real estate loans; infrastructure loans; private corporate credit; loans guaranteed by export credit agencies and supranationals; local authority loans; loans to housing associations; cross-currency swaps; interest rate swaps and inflation swaps; gilt total return swaps and cash.

The impact of reducing the Matching Adjustment to zero on the Solvency II balance sheet (including technical provisions, Own Funds and SCR) is summarised below and shown in QRT S.22.01 in Appendix for PGH Group and each life company.

	Group			PLL			RAL		
	Including Matching Adjustment £m (A)	Excluding Matching Adjustment £m (B)	Impact of removing Matching Adjustment £m (B) – (A)	Including Matching Adjustment £m (A)	Excluding Matching Adjustment £m (B)	Impact of removing Matching Adjustment £m (B) – (A)	Including Matching Adjustment £m (A)	Excluding Matching Adjustment £m (B)	Impact of removing Matching Adjustment £m (B) – (A)
Technical provisions	264,149	268,516	4,367	190,276	193,929	3,653	48,213	48,927	714
Basic Own Funds	10,884	7,503	(3,381)	7,917	5,068	(2,849)	2,672	2,140	(532)
Eligible Own Funds to meet SCR	11,069	7,688	(3,381)	7,917	5,068	(2,849)	2,672	2,140	(532)
SCR	7,210	11,046	3,836	5,122	8,548	3,426	1,342	1,752	410

D.2.7.2 Transitional Measure on Technical Provisions (Unaudited)

Transitional measures allow insurers to recognise the impact of increased technical provisions calculated under the Solvency II regime compared to the previous Solvency I regime (using the Pillar 2 Individual Capital Assessment ('ICA') basis, and subject to restriction as described below) on a gradually reducing basis over 16 years. The Group's technical provisions calculated under Solvency II exceed those calculated under the Solvency I regime for three reasons.

Firstly, the regulations require inclusion of a risk margin within technical provisions, which was not required under Solvency I. Secondly, the regulations require the use of a swap-based risk-free curve to discount liabilities whereas under Solvency I, the Group (other than RAL, which used a mix of gilts and swaps depending on the fund) used a higher gilts-based risk-free curve to determine the discount rate. This results in higher Solvency II liabilities at a Group level, although for ex-SLAL business the impact on liabilities was negative as it had transitioned to a lower discount rate in its ICA, largely in anticipation of the introduction of Solvency II. Thirdly, Solvency II introduces the concept of a "contract boundary" for which the primary effect is that future premiums (and hence profit margins) are not taken into account on certain unit-linked savings products.

The TMTP is a deduction from the amount of Solvency II technical provisions and is included as part of Tier 1 Basic Own Funds. In summary, the initial deduction is calculated as the difference between Solvency II technical provisions and Solvency I technical provisions as at 1 January 2016. The deduction runs off linearly to zero over the course of the 16-year transitional period unless a faster pace of run-off is required due to the actual run-off of the business being higher than 1/16 per annum.

The regulations require that TMTP is recalculated every two years after 1 January 2016 and more frequently under circumstances where the risk profile of the business changes materially and to reflect this recalculation in the reported technical provisions.

The Solvency II regulations allow for the recalculation of TMTP providing there is a material change in a firm's risk profile. As set out in the Group's TMTP Recalculation Policy, a recalculation is triggered if:

- it would result in a greater than 5% change in the entity solvency coverage ratio or
- failure to recalculate the TMTP to reflect the changes in risk profile would unduly impact decision-making in the Group.

The recalculation of the TMTP for PLL and RAL have been carried out as at 31st December 2023, which is a mandatory 2-yearly recalculation.

D.2 Technical provisions continued

D.2.7 Solvency II long-term guarantee and transitional measures continued

D.2.7.2 Transitional Measure on Technical Provisions (Unaudited) continued

There is a requirement that the TMTP should not result in the financial resources (technical provisions plus other liabilities plus capital requirements) required to be held under Solvency II to be less than the equivalent requirement under the Solvency I regime, called the Financial Resources Requirement ('FRR') test.

The PRA statement of 8 December 2023 indicated that if this Financial Resources Requirement ('FRR') test was not biting at the most recent TMTP recalculation then it will no longer need to be applied. This was the case for PLL.

RAL would have had an FRR restriction at 31 December 2023 and in accordance with the PRA statement applied to calculate the TMTP without an FRR restriction. The PRA confirmed on 9 February 2024 that the FRR restriction will no longer apply for RAL from 31 December 2023.

The impact of reducing the TMTP to zero on the Solvency II balance sheet (including technical provisions, Own Funds and SCR) is summarised below and shown in QRT S.22.01.22 and S.22.01.21 in the Appendix for the Group and each life company respectively.

	Group			PLL			RAL		
	Including transitionals £m (A)	Excluding transitionals £m (B)	Impact of removing transitionals £m (B) – (A)	Including transitionals £m (A)	Excluding transitionals £m (B)	Impact of removing transitionals £m (B) – (A)	Including transitionals £m (A)	Excluding transitionals £m (B)	Impact of removing transitionals £m (B) – (A)
Technical provisions	264,149	265,950	1,801	190,276	191,814	1,538	48,213	48,476	263
Basic Own Funds	10,884	9,827	(1,057)	7,917	7,034	(883)	2,672	2,498	(174)
Eligible Own Funds to meet SCR	11,069	10,012	(1,057)	7,917	7,034	(883)	2,672	2,498	(174)
SCR	7,210	7,198	(12)	5,122	5,052	(70)	1,342	1,400	58

In addition to the impact on technical provisions, any change in TMTP also affects the SCR for PLL and RAL. This is due to the impact of the change in TMTP on the Loss Absorbing Capacity of Deferred Tax ('LACDT') and the impact of additional management actions applied in the SCR calculation that can be used to reduce losses under stressed conditions.

D.2.7.3 Volatility Adjustment

The Volatility Adjustment is designed to protect insurers with long-term liabilities from the impact of market volatility, by reducing the likelihood that insurers sell their risky assets when markets are falling. The Volatility Adjustment is a parallel increase in the market segment of the risk free curve. There is no change to the ultimate forward rate.

RAL applies a Volatility Adjustment to certain annuities in the RAL Non-Profit Fund where a Matching Adjustment is not used and for all future policyholder-related liabilities in the NMWPF and WPF.

PLL, PLAL, SLAL, RLL and SLOC do not apply the Volatility Adjustment.

The tables below set out the impact on the Group and RAL's Basic Own Funds and Eligible Own Funds as set out in in the appendices.

	Group			RAL		
	Including Volatility Adjustment £m (A)	Excluding Volatility Adjustment £m (B)	Impact of removing Volatility Adjustment £m (B) – (A)	Including Volatility Adjustment £m (A)	Excluding Volatility Adjustment £m (B)	Impact of removing Volatility Adjustment £m (B) – (A)
Technical provisions	264,149	264,174	25	48,213	48,238	25
Basic Own Funds	10,884	10,867	(17)	2,672	2,655	(17)
Eligible Own Funds to meet SCR	11,069	11,052	(17)	2,672	2,655	(17)
SCR	7,210	7,215	5	1,342	1,347	5

D.2.8 Recoverables on reinsurance contracts

The amounts recoverable on reinsurance contracts are recognised as a reinsurance asset on the Solvency II balance sheet and calculated in the same manner as the BEL. The amounts recoverable are adjusted to take account of expected losses due to default of the counterparty which is described below.

D.2.8.1 Assessment of reinsurers' default risk (counterparty default adjustment)

The regulations require that an adjustment is made to the value of the reinsurance asset to reflect the risk that a reinsurer may default on its obligations. This adjustment is known as the Counterparty Default Adjustment ('CDA').

The CDA is the best estimate of the expected losses due to default of the reinsurance counterparty over the lifetime of the liabilities. The adjustment is calculated for each counterparty exposure as:

- the probability of default of the counterparty for the time horizon of one year; multiplied by
- an assumption for losses given default.

Further adjustments are then made to reflect the recovery rate from the reinsurer in excess of the collateral. The CDA also recognises that on default of the counterparty, additional risk margin would need to be held in respect of the recaptured liabilities. For longevity swaps, the CDA allows for the fee leg of the swap falling away on reinsurer default.

The probability of default assumptions are based on the credit rating of the counterparty. Loss given default is calculated for each component of the counterparty risk: longevity risk, valuation basis risk – stress, valuation basis risk – base, collateral risk and over/under collateralisation.

There is no reinsurance with Solvency II SPVs.

D.2 Technical provisions continued

D.2.9 Simplifications

Where it is proportionate, the Group adopts various simplifications in the calculation of BEL. These simplifications may exist within the calculation methodology, or within the valuation models themselves.

The most significant areas where such simplifications are adopted are set out below.

D.2.9.1 Methodology simplifications

This section describes the significant simplifications within the Group's methodology for calculating the Solvency II BEL. However, neither is considered to have a material impact on BEL.

Dynamic policyholder behaviour

How valuable guarantees are to policyholders will vary with economic conditions. In the PLL stochastic model, dynamic policyholder behaviour is modelled in respect of the GAO take-up rates, where the take-up rate varies depending on the level of projected interest rates at the policyholder's retirement date.

For RAL, due to limited historical evidence of dynamic policyholder behaviour, the GAO take-up rates are modelled deterministically.

Variation in economic conditions would also affect the lapse and surrender rates. However, due to a lack of relevant experience data and modelling complexity, dynamic lapse and surrender rates are not currently modelled.

D.2.9.2 Modelling simplifications

Substantially all of the Group's BEL is calculated using probability weighted averages of future cash flows. However, simplified valuation techniques have been used in certain circumstances. These simplifications are typically used where material uncertainty exists around the size, incidence or timing of liability cash flows or, where further model development is required for a more robust assessment. Examples include provisions set aside to cover items such as additional service fees, data issues, project implementation costs, impacts of system changes, impacts of regulation changes, unknown claims and litigation costs.

The Group uses the skills, knowledge and experience of actuaries, accountants and other subject matter experts to perform these assessments, which are carried out in accordance with the Group's internal framework on application of expert judgement.

The proportion of gross BEL calculated using simplified methods was less than 2%.

D.2.10 Uncertainty associated with the value of technical provisions

The sources and level of uncertainty associated with the risk margin component are described in section D.2.11.3.

The key sources and level of uncertainty associated with the BEL component of technical provisions are:

- uncertainty that future experience aligns to current best estimates in relation to demographic and economic assumptions;
- uncertainty in the timing and frequency of insured events;
- uncertainty in claim amounts, including uncertainty caused by path dependency (i.e. where the cash flows depend not only on circumstances such as economic conditions on the cash flow date, but also on those circumstances at previous dates);
- uncertainty in claims inflation;
- uncertainty in the amount of expenses and expense inflation;
- uncertainty in the actions that are assumed to be taken by management in response to changes in market conditions;
- uncertainty in expected future developments; and
- uncertainty in policyholder behaviour.

For PLL, RAL and SLOC, some of this uncertainty is addressed by using a stochastic model where appropriate. In particular, use of a stochastic model enables both the intrinsic and time value associated with options and guarantees to be determined with greater certainty. Use of a stochastic model also enables key dynamic policyholder behaviour and key management actions to be modelled.

Uncertainty may also emanate from the use of best estimate assumptions that did not accurately reflect the risk profile of the business being modelled. For example, demographic best estimate assumptions are typically based on an analysis of past experience with adjustments to allow for expected future trends and developments. However, these assumptions may not be borne out in practice for a number of reasons, including:

- lack of credible historical data upon which to base the assumption. This may require experience data from different homogenous risk groups being grouped, the use of relevant and credible industry data, or the assumption being set by expert judgement;
- allowance for future trends being different from expected; and
- random variation.

Any simplifications and approximations made when setting non-economic assumptions takes into account the sensitivity and materiality of the assumption.

D.2.11 Risk margin

The risk margin is an additional amount above the BEL that is required to be held under the Solvency II regulations. It is calculated at a value to proxy for the compensation that a third party (i.e. the reference undertaking) would require to take over those liabilities. The risk margin attributable to entities within the scope of the Internal Model is unaudited.

HM Treasury ('HMT') laid a statutory instrument before Parliament which implements Risk Margin reforms at 31 December 2023. The key reforms to the Risk Margin are to:

- reduce the cost of capital rate from 6% to 4%
- amend the risk margin formula and introduce a risk tapering factor of 0.9 for life and reinsurance obligations, subject to a cumulative floor of 0.25

D.2.11.1 Methodology overview

As part of the UK's Solvency II reforms, changes to the methodology for the determination of the risk margin were implemented from 31 December 2023. Under the revised approach, the calculation of the risk margin for the undertaking is based on a 4% per annum cost of capital rate applied to the projected reference undertaking SCR with a risk tapering factor. For life and reinsurance obligations, a risk tapering factor of 0.9 is specified in the regulations, subject to a cumulative floor of 0.25, which serves to reduce the future cost of capital in the risk margin calculation. Under the previous rules, which continue to apply in the EU, the cost of capital rate was specified at 6% and there was no allowance for a risk tapering factor.

The reference undertaking SCR is based on non-hedgeable risks only. The definition of non-hedgeable risks for the reference undertaking SCR includes:

- underwriting risk with respect to the existing business;
- credit risk with respect to reinsurance contracts counterparties, policyholders and any other material exposures related to existing business; and
- operational risk, including tax and regulatory risk.

D.2 Technical provisions continued
D.2.11 Risk margin continued
D.2.11.2 Validation of simplified approach and level of uncertainty
A 'full' calculation of the risk margin would involve:

- a 'full' calculation of the reference undertaking SCR over all future time periods; and
- calculating the risk margin at entity level and allocating this to each LoB.

However, in practice, for the vast majority of business, the Group uses a simplified bottom up approach such that the risk margin is initially calculated at fund LoB level by:

- allocating the time zero reference undertaking SCR to each fund and further by LoB and risk driver. For each LoB this allocation makes allowance for the expected contribution from individual risks, management actions, diversification benefits and also non-linearity. Non-modelled risks are allocated in a simplified way using LoB weightings based on modelled BEL; and
- applying a 4% cost of capital charge to the 'projected' fund level LoB reference undertaking SCRs and discounting. For this purpose the fund level LoB reference undertaking SCR is typically projected based on the run-off profile for each LoB and risk driver. This means that there are multiple run-off profiles within a fund level LoB for individual risk drivers.

The insurance subsidiary risk margins are then the sum of the LoB risk margins across all funds. The Group risk margin is the sum of the insurance subsidiaries' risk margins.

In order to understand the impact of the simplification used to allocate the SCR to LoBs, alternative methods of allocating the SCR to LoB and risk driver have been investigated (e.g. the impact of allocating non-modelled risks to LoB using policy counts instead of the BEL). This demonstrated that the risk margin results were relatively insensitive to the alternative allocation methods that were tested.

In order to understand the impact of the simplification used to represent the projection of the SCR, alternative run-off approaches for individual drivers were also assessed. In particular, alternative proxies to run-off the SCR were used (e.g. policy count and renewal expenses) and the sensitivity of the risk margin calculation was assessed. This showed that the risk margin results were relatively insensitive to the alternative run-off patterns tested.

D.2.11.3 Uncertainty associated with the risk margin
Uncertainty attached to the risk margin calculation primarily stems from its sensitivity to interest rate movements. Sensitivity to interest rates arises because interest rate movements can have a significant second order impact of the size of the longevity risk SCR and because risk-free rates are used to discount the projected reference undertaking SCRs. However, a material change in interest rates may trigger a recalculation of the TMTP (see section D.2.7.2), subject to regulatory approval, which would currently act to offset much of the volatility in the risk margin calculation.

The risk tapering factor introduced as part of the UK Solvency II reforms is intended to reduce the sensitivity of the Risk Margin to interest rate movements.

Some uncertainty also relates to the simplifications used by the group to calculate the risk margin. However, based on the results of the validation investigations described above, the simplifications used are considered to be appropriate.

D.3 Other liabilities
D.3.1 Introduction
The valuation of other liabilities on the Solvency II balance sheet is covered in this section. Some of the Group's liabilities are determined using alternative valuation methods which use non-observable market inputs. Further details are included in section D.4.3.

D.3.1.1 Other liabilities – PGH Group

Other liabilities as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Provisions other than technical provisions	1	162	162	–
Pension benefit obligations	2	1,466	1,466	–
Deposits from reinsurers	3	4,045	4,045	–
Deferred tax liabilities	4	1,568	284	1,284
Derivatives	5	3,014	3,014	–
Debts owed to credit institutions	6	901	901	–
Financial liabilities other than debts owed to credit institutions	7	2	2	–
Insurance and intermediaries payables	8	2,147	2,219	(72)
Reinsurance payables	8	92	92	–
Payables (trade, not insurance)	9	1,413	1,364	49
Subordinated liabilities (in Basic Own Funds)	10	3,513	3,757	(244)
Total other liabilities		18,323	17,306	1,017

D.3 Other liabilities continued
D.3.1 Introduction continued
D.3.1.2 Other liabilities – PLL

Other liabilities as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Provisions other than technical provisions	1	47	47	–
Deposits from reinsurers	3	2,383	2,383	–
Deferred tax liabilities	4	1,149	11	1,138
Derivatives	5	2,633	2,633	–
Debts owed to credit institutions	6	766	766	–
Financial liabilities other than debts owed to credit institutions	7	4,294	4,294	–
Insurance and intermediaries payables	8	1,086	1,197	(111)
Reinsurance payables	8	126	126	–
Payables (trade, not insurance)	9	752	752	–
Any other liabilities not elsewhere shown	11	–	28	(28)
Total other liabilities		13,236	12,237	999

D.3.1.3 Other liabilities – PLAL
Following the funds transfer there are no significant liabilities remaining in PLAL at 31 December 2023

D.3.1.4 Other liabilities – SLAL
Following the funds transfer there are no significant liabilities remaining in SLAL at 31 December 2023.

D.3.1.5 Other liabilities – RAL

Other liabilities as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Provisions other than technical provisions	1	6	6	–
Deposits from reinsurers	3	52	52	–
Deferred tax liabilities	4	341	32	309
Derivatives	5	324	324	–
Debts owed to credit institutions	6	97	97	–
Financial liabilities other than debts owed to credit institutions	7	243	243	–
Insurance and intermediaries payables	8	620	658	(38)
Reinsurance payables	8	44	44	–
Payables (trade, not insurance)	9	132	132	–
Total other liabilities		1,859	1,588	271

D.3.1.6 Other liabilities – RLL

Other liabilities as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Provisions other than technical provisions	1	1	1	–
Deferred tax liabilities	4	58	48	10
Debts owed to credit institutions	6	6	6	–
Insurance and intermediaries payables	8	135	135	–
Reinsurance payables	8	117	117	–
Payables (trade, not insurance)	9	48	48	–
Any other liabilities not elsewhere shown	11	–	108	(108)
Total other liabilities		365	463	(98)

D.3.1.7 Other liabilities – SLOC

Other liabilities as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Provisions other than technical provisions	1	2	4	(2)
Pension benefit obligations	2	2	2	–
Deposits from reinsurers	3	1,610	1,610	–
Deferred tax liabilities	4	7	7	–
Derivatives	5	55	55	–
Insurance and intermediaries payables	8	112	114	(2)
Payables (trade, not insurance)	9	36	36	–
Total other liabilities		1,824	1,828	(4)

D.3 Other liabilities continued
D.3.1 Introduction continued
D.3.1.8 Other liabilities – PA(GI)

Other liabilities as at 31 December 2023	Note	Solvency II value £m	Statutory accounts value £m	Difference £m
Provisions other than technical provisions	1	3	3	–
Payables (trade, not insurance)	9	13	13	–
Total other liabilities		16	16	–

D.3.2 Asset and liability valuation bases, methods and main assumptions: Other liabilities
The Solvency II valuation principles, including a description of the bases, methods and main assumptions applied for each class of other liabilities, are set out below. The valuation methods applied for statutory accounts purposes are materially consistent with Solvency II unless otherwise stated. Furthermore, unless stated otherwise, the statutory valuation basis under IFRS and under UK GAAP are the same. As a general principle, under Solvency II financial liabilities are measured at fair value with an adjustment to remove the effect of changes in Own Credit Standing ('OCS') from inception. There have been no significant changes to the valuation principles set out below during the year.

1	**Provisions (other than technical provisions)**	A provision is recognised when the Group has a present legal or constructive obligation, as a result of a past event, which is likely to result in an outflow of resources and where a reliable estimate of the amount of the obligation can be made. There is no material differences between the statutory accounts and Solvency II valuations.
2	**Pension benefit obligations**	See section D.3.3 for further information.
3	**Deposits from reinsurers**	It is the Group's practice to obtain collateral to cover certain reinsurance transactions, usually in the form of cash or marketable securities. Where such cash collateral is available to the Group for investment purposes, it is recognised as a 'financial asset' and the collateral repayable is recognised as 'deposits received from reinsurers'. These are valued consistently under UK GAAP, using a discounted cash flow methodology, however, under IFRS these balances are valued as insurance contracts under IFRS 17.
4	**Deferred tax liabilities**	See section D.1.2 note 4 'Pension benefit surplus/obligations' for further information.
5	**Derivatives**	See section D.1.2 note 6 'Investments (other than assets held for index-linked and unit-linked contracts' for further information.
6	**Debts owed to credit institutions**	Debts owed to credit institutions primarily reflect obligations for repayment of collateral received. It is the Group's practice to obtain collateral to mitigate the counterparty risk related to OTC derivatives and certain reinsurance transactions, usually in the form of cash or marketable financial instruments. Where the Group or insurance subsidiaries receive collateral in the form of marketable financial instruments which it is not permitted to sell or re-pledge except in the case of default, it is not recognised on the balance sheet. Obligations for repayment of collateral received are valued at fair value for both statutory accounts and Solvency II. This balance also includes the Property Reversions loan from Santander UK plc. Further details can be found in Note E.5.1 of the Group's 2023 financial statements. The Property Reversions loan is valued using an alternative valuation method, and further details are included in section D.4.
7	**Financial liabilities other than debts owed to credit institutions**	Financial liabilities other than debts owed to credit institutions are valued at fair value, consistent with the statutory accounts. No adjustment to remove change in OCS has been made as the impact would be immaterial due to the short term nature of these liabilities.
8	**Insurance and intermediaries payables, Reinsurance payables**	Insurance, intermediaries and reinsurance payables primarily comprise liabilities for outstanding claims. The balances only include amounts past due as amounts not yet due are included in the cash flow projections of technical provisions and reinsurance recoverables. Under Solvency II, all outstanding claims are measured at fair value, determined based on a probability-weighted best estimate of the liability. A different measurement basis is applied for the statutory accounts, depending on the classification of the related policy as either an insurance or investment contract, and depending on whether IFRS or UK GAAP is used as the accounting basis. For the Group and SLOC, applying IFRS for statutory accounts purposes, outstanding claims on insurance contracts are recognised under IFRS 17 within insurance contract liabilities. Investment contracts are considered to have a demand feature and accordingly the associated outstanding claims are measured at full settlement value under IFRS. For PLL, RAL and RLL, applying UK GAAP for statutory accounts purposes, outstanding claims on insurance contracts are measured consistently across UK GAAP and Solvency II. Investment contracts are considered to have a demand feature and accordingly the associated outstanding claims are measured at full settlement value under UK GAAP.

D.3 Other liabilities continued

D.3.2 Asset and liability valuation bases, methods and main assumptions: Other liabilities continued

9	**Payables (trade, not insurance)**	The valuation difference between the statutory accounts and Solvency II is due to a deferred income liability recognised by the Service Companies in respect of payments received from the Life Companies to transfer risks associated with the costs of future regulatory change. Under the statutory accounts basis, this liability is eliminated against a corresponding prepayment in the Life Companies, however a related technical provision is recognised by the Life Companies and the Group in respect of these risks. As detailed in section D.2.2, the prepayment and technical provision are derecognised under Solvency II.
10	**Subordinated liabilities (in Basic Own Funds)**	Under the statutory accounts basis, subordinated debt is valued on an amortised cost basis, with allowance for the deferral of directly attributable issue costs. Under Solvency II, the liabilities are fair valued with an adjustment to remove the impact of changes in OCS since inception. This gives rise to valuation differences between the two bases, notably as the Solvency II valuation reflects movements in market interest rates whilst the amortised cost basis used for the statutory accounts does not. Further details can be found in section E.1.
11	**Any other liabilities not elsewhere shown**	This balance sheet caption relates to deferred income balances. In the life companies' financial statements, front end fees on certain service contracts, including investment management service contracts, are deferred as a liability and amortised. In accordance with the Solvency II valuation rules, £nil value has been allocated to deferred income balances.

D.3.3 Pension schemes

As detailed in section D.1.2, PGH has five main defined benefit staff pension schemes. In accordance with the regulations, all schemes are valued consistently with IFRS (i.e. IAS 19 valuation basis).

Full details with regards to the valuation of the Group's defined benefit pension schemes, including key assumptions and judgements applied, are set out in Note G1 to the Group's 2023 financial statements.

D.4 Alternative methods for valuation

This section provides information on alternative valuation methods used by the Group and covers the justification for use of alternative valuation methods and the assumptions underlying this approach. An assessment of the valuation uncertainty is performed by management on a bi-annual basis and the results of such analysis subject to internal governance processes.

There have been no significant changes in the recognition, measurement or valuation bases used for financial assets and liabilities during the reporting period.

The alternative valuation methods for assets and liabilities are shown in the sections below.

D.4.1 Alternative valuation methods – Assets

Financial assets subject to alternative valuation methods are shown in the table below, analysed by balance sheet caption.

	Solvency II value £m											
Assets	PLL	PLAL	SLAL	RAL	RLL	SLOC	SLPF	PA(GI)	SLIDAC	Other Group entities	Consolidation adjustments[1]	PGH Group
Assets held for index-linked and unit-linked contracts	106,846	–	–	12,445	5,511	236	–	–	13,274	–	–	138,312
Property, plant and equipment held for own use	8	–	–	3	–	–	–	–	4	67	–	82
Property (other than for own use)	683	–	–	329	–	25	–	–	–	–	–	1,037
Holdings in related undertakings including participations	32,043	–	–	2,587	–	–	–	–	149	–	2,349	37,128
Corporate bonds	5,441	–	–	–	–	77	–	–	–	42	–	5,560
Government bonds	988	–	–	–	–	–	–	–	–	3	–	991
Collective Investment Undertakings	1,354	4	4	2,402	275	–	4	7	39	925	(2,349)	2,665
Collateralised securities	4,502	–	–	–	–	–	–	–	–	–	(4,450)	52
Equities	4	–	–	9	–	–	–	–	–	15	–	28
Derivatives	1,877	–	–	117	–	41	–	–	–	205	(86)	2,154
Loans and mortgages	5,105	–	–	2,802	–	–	–	–	161	2,620	(3,268)	7,420
Structured notes	105	–	–	–	–	–	–	–	–	1	–	106

1 Consolidation adjustments include the elimination of intragroup transactions and reclassification of holdings in collective investment undertakings in which the Group's holding is greater than 20%.

D.4 Alternative methods for valuation continued

D.4.1 Alternative valuation methods – Assets continued

D.4.1.1 Justifications for use of alternative valuation methods and underlying assumptions – Assets

Assets held for index-linked and unit-linked contracts

This balance largely consists of investments in collective investment undertakings. For the relevant justification and underlying assumptions refer to 'Holdings in related undertakings including participations and Collective Investment Undertakings' section below.

Property, plant and equipment held for own use

Property owned by the Group is valued on an open market basis by accredited independent valuers in accordance with Royal Institution of Chartered Surveyors ('RICS') requirements, which is deemed to equate to fair value.

For leased property, right-of-use assets are valued at cost less depreciation/impairment, adjusted for certain remeasurements of the associated lease liability. This is considered to materially reflect the fair value of such assets for the Group. Further details are included in note G3 of the Group's 2023 financial statements.

Property (other than own use)

This balance consists of investment property which is subject to alternative valuation methods due to the absence of a tradable financial market in which identical or similar properties are frequently exchanged to provide common and credible market prices. Investment properties are valued in accordance with the Royal Institute of Chartered Surveyors ('RICS') guidelines by independent accredited valuation specialists.

The Group uses property valuation experts to support the valuation of all investment property held within property funds. The process for valuing investment properties includes a degree of subjectivity in estimating the probability of realising expected future rental income and future resale values. Property valuations are broadly made using two types of assumptions:

- property-specific assumptions (e.g. opinions of market rent); and
- valuation assumptions (outlined in the annual valuation report, the contract and general terms of business).

Property valuation experts and surveyors adhere to the professional reference known as the RICS 'Red Book' when making valuation assumptions. The Red Book contains mandatory rules, best practice guidance and related commentary for all members of RICS conducting property valuations. It also offers a useful reference resource for valuation users and other stakeholders.

The Group's insurance subsidiaries also hold property reversionary loans, an interest in customers' properties which the Group will realise upon death. These are valued using a discounted cash flow model based on the Group's proportion of the current open market value, and discounted for the expected lifetime of the policyholder derived from published mortality tables. Note G4 of the Group's 2023 financial statements includes further information on the valuation techniques used in measuring the fair value of the investment properties.

Holdings in related undertakings including participations and Collective Investment Undertakings

Includes investments in open-ended investment companies, unit trusts, hedge funds and private equity investments. Investments are classified as 'Holdings in related undertakings including participations' where the Group holds voting rights or capital 20% or more.

The alternative valuation method approach is applied where observable market data is not available. Holdings are valued by independent specialists using non-observable market inputs such as net asset value statements. The key non-observable market input are unit prices published by, or net asset value statements received from, fund managers. In situations where valuations are received at a date other than the balance sheet date, adjustments are made for subsequent drawdowns and distributions.

Corporate bonds

This balance includes illiquid fixed income securities such as private corporate credit, infrastructure loans and hard to price bonds. These assets are valued using proxies and non-observable market inputs due to the unavailability of actively traded market prices . The assets are valued by external fund managers using approved valuation methodologies mainly discounted cash flow models ('DCF'), which is in line best practice in the market. The external fund manager valuations are overseen by the Group through primary valuation oversight, independent price verification ('IPV') and committee approval of valuation methodologies. The external valuation approaches, judgements and reported valuations are routinely challenged and, if required, IPV adjustments are discussed and proposed.

The valuation spread or discount rate in the DCF for these assets includes two main components above an appropriate risk free reference: a market credit spread based on a basket of comparable public corporate spreads with a similar tenors and risk to the illiquid asset; and an unobservable illiquidity premium determined by approved and reputable external fund managers or vendors (based on idiosyncratic characteristics of the illiquid asset against the comparable basket).

Government bonds

This class of asset mainly includes illiquid bonds such as local authority loans and loans guaranteed by export credit agencies. The alternative valuation method for illiquid bonds is discussed above and is also applicable for these assets.

The market spread component is selected based on relevant public sub-sovereign or quasi-Government comparable bonds. In some cases, such as export credit agencies, an explicit government guarantee may be place. In relative terms, this asset class is exposed to less credit risk with the main consideration being liquidity risk since a direct public comparable may not be available or is likely to be thinly held and traded with insufficient depth of market data.

Collateralised securities

The life companies hold internally securitised ERM loan notes which are valued using an equation of value approach, which means that the aggregate value of the notes equal the value of underlying loans, other than frictional costs. The use of alternative valuation methods to price equity release mortgage and related collateralised loan note assets is justified because no actively traded market prices are available. The specific approach for equity release mortgages is discussed below.

Loans and mortgages

This balance consists of ERM, commercial real estate loans ('CREL') and other loans and mortgages (including intra-group loans). The alternative valuation method approach is applied given these investments generally have no open market observable prices.

The alternative valuation method applied to ERM is internally developed discounted cash flow models, using appropriate assumptions corroborated with external market data where possible (e.g. house price index). A Black-Scholes model is also used for valuation of the No-Negative Equity Guarantee ('NNEG'). The NNEG caps the loan repayment in the event of death or entry into long-term care to be no greater than the sales proceeds from the property. The future cash flows are estimated based on assumed levels of mortality derived from published mortality tables, entry into long-term care rates and voluntary redemption rates. They are discounted using a risk free curve plus a spread to reflect different risk profiles of ERM loans. The spread for ERM loans is determined based on the most recent loan originations.

Other loans are valued using an income approach, which converts future amounts, such as cash flows or income or expenses, to a single current amount. The fair value reflects current market expectations about those future amounts. Valuation techniques consistent with the income approach include present value techniques, option pricing models and the multi-period excess earnings method.

D.4 Alternative methods for valuation continued

D.4.1 Alternative valuation methods – Assets continued

D.4.1.1 Justifications for use of alternative valuation methods and underlying assumptions – Assets continued

Equities

Unlisted equities are valued using net asset statements or broker quotes due to quoted market prices not being available.

Derivatives

The value of most derivative positions are vendor sourced. However, certain derivative positions, such as longevity swaps, are valued using alternative valuation techniques. The Group's insurance subsidiaries hold certain derivative positions to hedge very long-term annuity liabilities which may not have an active market. Forward contracts are also held by the insurance subsidiaries, which include a commitment to acquire or provide funding for illiquid debt instruments at specified future dates. Such holdings are valued using discounted cash flow models, and will include a valuation adjustment to reflect reduced liquidity. The Group uses industry standard pricing models using the derivative contract specifics. Such models use market observable metrics sourced from external data providers for contracts with optionality and volatility such as currency exchange rates, index values, current (and forward) interest rate curves in a given currency.

Structured notes

This balance largely includes illiquid bonds such as private placements. For the relevant justification and underlying assumptions refer to 'Corporate bonds' section above.

D.4.2 Alternative valuation methods – Liabilities

Financial liabilities subject to alternative valuation methods are outlined below.

For PLAL, SLAL, SLPF, RLL, SLIDAC and PA(GI) there are no liabilities valued using alternative methods as at 31 December 2023.

Liabilities	PLL	RAL	SLOC	Other Group entities	Consolidation adjustments	PGH Group
Deposits from reinsurers	2,383	52	1,610	–	–	4,045
Derivatives	2,577	286	46	87	(86)	2,910
Debts owed to credit institutions	45	–	–	–	–	45
Subordinated liabilities in Basic Own Funds	–	–	–	3,513	–	3,513

D.4.2.1 Justifications for use of alternative valuation methods and underlying assumptions – Liabilities

Deposits from reinsurers

A discounted cash flow model is used whereby contractual cash flows are discounted using a swaps-based risk-free curve.

Derivatives

Valued using the same methodology and assumptions as applied to derivative assets set out in section D.4.1.1.

Debts owed to credit institutions

An internally developed model based on a combination of observable and non-observable market inputs is used for the valuation of refinancing loans that are included in this balance. This model uses various assumptions including discount rate (based on asset duration, adjusted for liquidity and mortality risk) and house price inflation.

Subordinated liabilities in Basic Own Funds

A discounted cash flow approach is used with the discount rate set based on market risk free yields as at the balance sheet date plus the initial credit spread at the time of issuance of each subordinated bond . This has the effect of valuing each bond on a fair value basis excluding changes in own credit standing.

D.4.3 Assessment of valuation uncertainty surrounding alternative valuation methods used

This section outlines valuation uncertainty surrounding the alternative valuation methods discussed in section D.4.1. and D.4.2.

Investment properties

Commercial and residential properties are traded less frequently and therefore a lack of liquidity increases the challenge to easily assess and attribute accurate prices. Inherent uncertainties prevail in any method of valuing property. There are different types of uncertainty which include:

- property valuations based on opinion which cannot be quantified;
- market conditions at the time of valuation (particularly in rapidly moving markets);
- property-specific issues (e.g. judgement as to whether a tenant will vacate at lease expiry or renew); and
- investment approach.

Valuation assessments are made on the basis of collation and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the respective properties. With the benefit of such transactions, valuation experts then apply these factors to individual properties, taking into account size, location, lease terms, covenant strength and other material applicable factors. Uncertainty is further reduced by harnessing multiple sources of quality information, including external benchmarks, in-house and industry-specific databases.

Other valuation uncertainties concern properties where few or no similar properties exist within close vicinity upon which to base a valuation opinion. A scarcity of comparable local properties places greater weighting on the surveyors' own opinion. While there is an element of subjectivity to a surveyor's assessment, each valuation should be reviewed and subject to sign-off. Further analysis may be undertaken by property analysts to independently review a valuation, discuss their findings with the surveyor and provide a report updating senior management or partners to secure a final decision.

D.4 Alternative methods for valuation continued

D.4.3 Assessment of valuation uncertainty surrounding alternative valuation methods used continued

Illiquid bonds

All models are subject to limitations and uncertainties. For illiquid bonds, the individual spreads applied for given characteristics can vary depending on assumptions, data availability and market participant knowledge. Even in public markets, observed spreads can vary up to approximately 150 basis points within a rating and duration band. While these illiquid bonds are not generally traded actively in an open market there is an active new issue market and assets are traded between willing buyers and sellers. Valuation risk is reduced by taking valuation advice from fund management experts who deal frequently in these asset types, whether that is on the primary issue market or the secondary market. The residual valuation uncertainly inherent in these asset types is not considered to be material with respect to the overall size of the portfolio.

An internal documented approach is in place to review and approve valuation uncertainty for illiquid assets. Depending on the asset class, valuation uncertainty can incorporate credit spread uncertainty, Idiosyncratic (illiquidity) uncertainty and rating uncertainty.

Valuation uncertainty is calculated by external managers, the ranges are based on an internal policy and approval by the Asset Valuation and Governance Committee ('AVGC'). Valuation uncertainty ranges are used as an input into the oversight approach for illiquid assets to determine exceptions between external valuation and internal expectations. New illiquid assets are subject to a market consistency check which reviews the appropriateness of the idiosyncratic component of the valuation spread as a proxy for illiquidity uncertainty.

Valuation uncertainty is monitored and reported to the AVGC on a regular basis.

Equity Release Mortgages

As part of the Group's internal risk management processes, sensitivity analysis is performed to quantify reasonable alternative assumptions for the significant inputs to the discounted cash flow model. The significant sensitivities arise from movements in the yield curve, inflation rate, house prices, mortality and voluntary redemption rate. Note E.2.3 of the Group's 2023 financial statements includes the details of the unobservable inputs and the sensitivity analysis based on these unobservable inputs.

Collective Investment Undertakings and private equity investments

Data and information availability, the models employed and valuers' assumptions can contribute to the valuation uncertainty of private equity collectives. Different fund managers can value the same investment differently. This may be observed in cross held investments demonstrating that two managers can both value the same asset using recognised valuation methodologies and arrive at differing views on fair value.

Information on secondary markets can show funds trading at discount to NAV, or even evidence of some positions trading at a premium. However, the motivation of sellers is wide and varied, and if there is a small market of buyers, this may present issues including liquidity constraints. This is likely to occur when activities such as portfolio rebalancing, and strategic withdrawals from private equity have taken place.

Various additional data points are considered including fund manager insights, alternative valuations and other observable proxy data to determine a sensitivity range for private equity collectives.

Derivatives

Valuation uncertainties are reduced by using market observable data in pricing models wherever this is possible. In addition, model results are subject to price verification review as part of the standard price verification process.

D.4.4 Comparison of the valuations against experience

Investments valued by alternative valuation methods are generally towards the more illiquid end of the scale and in some cases, particularly illiquid credit investment and mortgages and loans, they will often be held to maturity. In such cases the valuations used, which reflect cash flows at an appropriate discount rate, will be a close match to actual experience. Independent price verification is also performed on such assets to validate the credit spreads used by the external asset managers.

Property assets are also infrequently traded with disposals often reflecting a particular opportunity. That opportunity might be both positive (to realise an asset premium to valuation) or negative (to dispose of a poorly performing property or one that no longer fits the strategic aim of the property portfolio). While this may mean that experience of property assets is that they can realise both a premium and a discount to valuation, overall property valuations would be supported by values realised from disposals. Over time, the Group has not experienced material detriment from the realisation of property below the valuation attributed in the balance sheet.

In the derivatives market, prices are generally set using standard derivative models and the Group would expect to be able to realise derivative assets at or close to balance sheet valuation if that was required.

Assessment of the fair valuation of holdings in collective investment undertakings includes assessment of last NAV date, consideration of the sector mix of underlying investments, review of transactions (such as, disposals and realisations), and assessment of market movements at a portfolio level relative to benchmark indices.

Further details regarding the impact of reasonably possible changes in valuation inputs, including a sensitivity analysis showing how these changes affect the assets valuation, are set out in notes E2.3 and G4 of the Group's 2023 financial statements. Sensitivity analysis for the insurance subsidiaries is shown in the financial instrument and risk management notes of the individual financial statements for the year ended 31 December 2023. All figures quoted reflect the impact to both the assets valuation and the Basic Own Funds of the sensitivity being applied.

D.5 Any other information

There is no further material information to be disclosed regarding the valuation of assets and liabilities for solvency purposes.

In this section

Capital management

Capital management

This section provides information on the Group and insurance subsidiaries' regulatory capital positions.

The Solvency II capital assessment involves valuation of Own Funds in line with the Solvency II regulations and a risk-based assessment of the SCR. Solvency II surplus is the excess of Eligible Own Funds over the SCR.

The Group and each of the insurance subsidiaries hold an amount of Eligible Own Funds that is greater than the SCR to allow for adverse events in the future that may reduce Own Funds.

The SCR, shareholder coverage ratios and availability restrictions applied to Own Funds mentioned throughout this section, with the exception of the Standard Formula component of the Partial Internal Model SCR, are unaudited.

As at 31 December 2023 , the capital position for the Group and its insurance subsidiaries is presented in the table below:

Key Solvency metrics

31 December 2023	Eligible Own Funds £m	SCR £m	Solvency II surplus £m	Ratio of Eligible Own Funds to SCR %	Shareholder capital coverage ratio %
PLL	7,917	(5,122)	2,795	155%	193%
PLAL[4]	4	(3)	1	127%	127%
SLAL[4]	4	(3)	1	114%	114%
SLPF[4]	4	(3)	1	118%	118%
RAL	2,672	(1,342)	1,330	199%	215%
RLL	263	(18)	245	1,436%	1,436%
SLOC	297	(174)	123	170%	170%
PA(GI)	28	(26)	2	111%	111%
SLIDAC	645	(332)	313	194%	194%
PLAE	103	(53)	50	196%	196%
Other Group entities[1]	40,513	(500)	40,013		
Consolidation and other adjustments[2]	(41,381)	366	(41,015)		
PGH Group 31 December 2023[3]	11,069	(7,210)	3,859	154%	176%
PGH Group 31 December 2022	11,146	(6,644)	4,502	168%	189%

1 Other Group entities includes the Eligible Own Funds of PRL, the Group's holding companies and non-insurance subsidiaries and include the contribution of Group pension schemes and subordinated liabilities qualifying as capital for solvency purpose.

2 Group consolidation adjustments include the elimination of intercompany balances and participations.

3 The Group's Solvency II surplus at 31 December 2023 incorporates a mandatory recalculation of TMTP at that date. Assuming a dynamic recalculation of TMTP as at 31 December 2022, the Group's Solvency II surplus would have been £95 million lower.

4 The capital requirements and solvency ratios for PLAL, SLAL and SLPF- are based on the MCR, as this is greater than the SCR for those entities.

As at 31 December 2023, the Group's Solvency II surplus over the consolidated Group SCR is £3,859 million (2022: £4,502 million), with a ratio of Eligible Own Funds to SCR of 154% (2022: 168%).

61% of the Group's Eligible Own Funds are unrestricted Tier 1 (2022: 61%), and are principally comprised of ordinary share capital, share premium related to ordinary share capital, surplus funds and the reconciliation reserve. This includes TMTP which is included in the calculation of Basic Own Funds as Tier 1 capital.

All the required SCR quantitative limits have been complied with for the Group and insurance subsidiaries, and result in no restrictions nor are any Own Funds required to be relegated to lower tiers.

Further details regarding the capital position of each of the insurance subsidiaries are set out in section E.1.

Shareholder Capital Coverage ratio

In the calculation of the Solvency II surplus, the SCR of unsupported with-profit funds and the Group pension schemes are included, but the related Eligible Own Funds are recognised only to a maximum of their respective SCR amounts. Surpluses that arise in with-profit funds and the pension schemes are therefore not recognised in the Solvency II surplus as there is uncertainty as to the extent (if any) to which such surpluses will accrue to shareholders. However, such surpluses are available to absorb economic shocks, thereby increasing resilience to economic stresses.

The Group focuses on the metric of shareholder capital coverage ratio as a more appropriate measure of the extent to which shareholders' Eligible Own Funds cover the capital requirements. It is defined as the ratio of Eligible Own Funds to SCR, after adjusting to exclude Own Funds and SCR amounts relating to unsupported with-profit funds and the unsupported Group pension schemes.

The Shareholder Capital Coverage ratio of PGH Group is 176% as at 31 December 2023 (2022: 189%).

E.1 Own Funds and analysis of solvency position

E.1.1 Management of own funds

The Group's Capital Management Framework for managing its Own Funds is designed to achieve the following objectives:

- to provide appropriate security for policyholders and meet all regulatory capital requirements under the Solvency II regime while not retaining unnecessary excess capital, operating within a Solvency II Shareholder Capital Coverage ratio of 140-180% ;
- to ensure sufficient liquidity to meet obligations to policyholders and other creditors;
- to manage our leverage position, including optimisation of the Solvency II leverage ratio and the Fitch leverage ratio to maintain an investment grade credit rating;
- to maintain a dividend policy to pay an ordinary dividend that is progressive and sustainable.

The Group and its insurance subsidiaries operate under a suite of capital management policies that govern the allocation of capital throughout the Group to achieve the framework objectives under a range of stress conditions. The policy suite considers policyholder security, creditor obligations, dividend policy and regulatory capital requirements.

A liquidity policy is set by the Boards and monitored each month at both executive and Board level. The policy ensures sufficient liquidity to meet creditor and dividend obligations through a combination of cash buffers and regular cash flow forecasting. Volatility in the latter is monitored at executive and Board level through stress and scenario testing. Where cash flow volatility is judged to be in excess of the relevant Board's risk appetite, de-risking activities are undertaken. Further details on the Group's approach to managing liquidity risk are provided in section C.4.

A capital policy is also set by the relevant Boards and monitored by management regularly, to ensure there is sufficient capital to meet the SCR under stress conditions which are currently determined at a 1-in-10 level. The capital policy is managed according to the risk profile and financial strength of the Group and insurance subsidiaries.

The future capital position of the Group and its insurance subsidiaries is projected over a three-year planning horizon as part of the Annual Operating Plan process.

SLIDAC and PLAE operate their own Capital Management Framework, details of which can be found in section E.1.2 of their solo SFCR.

E.1.2 Structure and quality of own funds

Own Funds are split into Tiers in line with the regulations. There are three Tiers based on both 'permanence' and 'loss absorbency' (Tier 1 being the highest quality). Tier 1 is further divided into 'unrestricted' and 'restricted' Tier 1.

Own Funds which are classified as 'unrestricted' Tier 1 include share capital, surplus funds and the reconciliation reserve. Relevant Own Funds items which are classified as 'restricted' Tier 1 are certain subordinated liabilities.

The regulations impose limits on the amount of capital from each Tier that is eligible to cover capital requirements with the aim of ensuring that the items will be available if needed to absorb any losses that may arise. Items with a fixed duration or a right to redeem early may not be available when needed. Similarly, obligations to pay distributions or interest will reduce the amount available. The rules on 'tiering' are designed to reflect the existence of such features.

E.1.3 Analysis of solvency position – PGH Group

The table below sets out a summary of the PGH Group's solvency position as at 31 December 2023. There are no ancillary Own Fund items included in the Group's solvency position.

Phoenix Group Holdings plc

		31 December 2023					31 December 2022
Description	Section reference	Tier 1 (Unrestricted) £m	Tier 1 (Restricted) £m	Tier 2 £m	Tier 3 £m	Total £m	Total £m
Ordinary share capital and share premium	E.1.3.1	116	–	–	–	116	110
Surplus funds	E.1.3.1	4,554	–	–	–	4,554	4,450
Reconciliation reserve (pre availability restrictions)[1]	E.1.3.1	5,246	–	–	–	5,246	5,934
Deferred tax assets	E.1.3.1	–	–	–	357	357	356
Preference shares (Tier 1 Notes)	E.1.3.1	–	500	-	–	500	500
Excess of assets over liabilities		9,916	500	–	357	10,773	11,350
Subordinated liabilities	E.1.3.2	–	569	2,711	233	3,513	3,442
Total Basic and Own Funds[1]		9,916	1,069	2,711	590	14,286	14,792
Availability restrictions in reconciliation reserve[1]	E.1.3.3	(3,217)	–	–	–	(3,217)	(3,646)
Eligible Own Funds to meet SCR		6,699	1,069	2,711	590	11,069	11,146
Consolidated Group SCR	E.1.3.4					(7,210)	(6,644)
Solvency II surplus						3,859	4,502
Ratio of Eligible Own Funds to SCR						154%	168%
Shareholder capital coverage ratio						176%	189%

1 Basic Own Funds do not agree to that presented on the Own Funds QRT due to the different presentation of the availability restrictions and Own Funds of other financial sectors in the table above. The reconciliation reserve as shown on the Own funds QRT includes the reconciliation reserve (pre availability restrictions) amount of £5,246 million and restrictions to own funds of £(3,217) million. Further details on the restrictions to own funds are provided in section E.1.3.3. The Own Funds of other financial sectors value of £184m is excluded from the basic own funds line in the QRT and shown in a separate line.

Capital requirements for the Group continue to be determined on a Partial Internal Model ('PIM') basis, with the standard formula utilised for the ReAssure entities, the Sun Life UK entities, SLIDAC, PLAE and the Bermudan Entities. All other Group entities fall within the scope of the Internal Model.

Capital management continued

E.1 Own Funds and analysis of solvency position continued

E.1.3 Analysis of solvency position – PGH Group continued

E.1.3.1 Basic Own Funds

The PGH Group Basic Own Funds before availability restrictions total £14,286 million (2022: £14,792 million) and comprise of ordinary share capital, share premium related to ordinary share capital, surplus funds, a reconciliation reserve, subordinated liabilities , preference shares and deferred tax assets. Further details regarding each of these items of Basic Own Funds are set out below.

Ordinary share capital and share premium

The Group's issued and fully paid up ordinary share capital and share premium of £116 million (2022: £110 million) is treated as Tier 1 unrestricted Own Funds. The Articles of Association of PGH include the right to cancel and withhold dividends at any time prior to payment. The increase during the year in both share capital and share premium reflects shares issued in order to satisfy obligations to employees under the Group's sharesave schemes.

Surplus funds

The Group Basic Own Funds include surplus funds of £4,554 million (2022: £4,450 million) which are classified as Tier 1 unrestricted Own Funds.

Surplus funds represent accumulated profits within a with-profit fund which have not yet been made available for distribution to policyholders or shareholders. They satisfy the characteristics of Tier 1 capital because they will only be distributed in the future if it is appropriate to do so and are loss-absorbent because future distributions can be reduced if the amount of accumulated profits reduces due to future losses.

Surplus funds are generally only available to meet losses arising within the relevant with-profit fund. As a result, they are subject to Ring Fenced Fund ('RFF') restrictions to the extent that they exceed the with-profit fund's notional SCR. Further information on RFF restrictions can be found in section E.1.3.3.

Preference shares (Tier 1 Notes)

On 26 April 2018, Old PGH (the Group's ultimate parent undertaking up to December 2018) issued £500 million of Restricted Tier 1 bonds due 2028 with a coupon of 5.75% up to the first call date of 26 April 2028. On 12 December 2018, PGH plc was substituted in place of Old PGH as issuer. The Restricted Tier 1 bonds meet the definition of equity under IFRS. In line with PRA guidance they are reflected as preference shares in the Own Funds QRT.

The Tier 1 Notes will be subject to conversion to ordinary shares of PGH plc at the conversion price of £1,000 per share, subject to adjustment in accordance with the terms and conditions of the notes, and all accrued interest would be cancelled, on occurrence of any of the following trigger events:

- the amount of Own Fund Items eligible to cover the SCR is equal to or less than 75 percent of the SCR;
- the amount of Own Fund Items eligible to cover the MCR is equal to or less than the MCR; or
- a breach of the SCR has occurred and such breach has not been remedied within a period of three months from the date on which the breach was first observed

Further information on the Tier 1 Notes is included in note D4 of the 2023 PGH consolidated financial statements.

Reconciliation reserve (pre availability restrictions)

The reconciliation reserve is treated as Tier 1 unrestricted Own Funds and is primarily made up of the excess of assets over liabilities, reduced by the following items:

- ordinary share capital;
- share premium;
- surplus funds;
- preference shares; and
- deferred tax assets

Additionally, the reconciliation reserve is reduced by availability restrictions, described further in section E.1.3.3.

The movement in the excess of assets over liabilities represents the net profits generated by the Group. The reconciliation reserve may be subject to potential volatility and further details regarding the impact of various sensitivities on the excess of assets over liabilities which forms part of the Own Funds calculation are set out in section C.7.

Deferred tax assets

A deferred tax asset of £357 million (2022: £356 million) is included as Tier 3 Own Funds and further detail is included in section D.1.3. The table below sets out an analysis of movement in the deferred tax assets during the year.

	£m
Opening deferred tax assets (Tier 3) at 1 January 2023	**356**
Trade and capital losses carried forward	120
Expenses carried forward	21
Accelerated capital allowances	8
Provisions and other temporary differences	(40)
Change in offset of deferred tax asset and liabilities	(108)
Closing deferred tax assets (Tier 3) at 31 December 2023	**357**

E.1 Own Funds and analysis of solvency position continued

E.1.3 Analysis of solvency position – PGH Group continued

E.1.3.2 Subordinated Debt

Details of the Group's subordinated debt included within Own Funds are shown in the table below:

Note	Instrument	Issuer	Tier of capital	31 December 2023 Solvency II Value £m	31 December 2022 Solvency II Value £m
A	US$750 million Contingent Convertible Tier 1 notes	PGH	Restricted Tier 1	569	588
	£428 million subordinated debt	PGH	Tier 2	189	399
	US$500 million Tier 2 bonds	PGH	Tier 2	372	385
	€500 million Tier 2 bonds	PGH	Tier 2	404	392
	£500 million Tier 2 notes	PGH	Tier 2	418	396
	US$500 million Fixed Rate Reset Tier 2 notes	PGH	Tier 2	253	369
	£500 million 5.867% Tier 2 subordinated notes	PGH	Tier 2	463	444
	£250 million Fixed Rate Reset Callable Tier 2 subordinated notes	PGH	Tier 2	248	245
	£350 million Tier 2 bonds	PGH	Tier 2	364	–
	£250 million 4.016% Tier 3 subordinated notes	PGH	Tier 3	233	224
				3,513	3,442

Note

A: Trigger events for US$750 million Contingent Convertible Tier 1 notes

The Contingent Convertible Tier 1 Notes will be subject to conversion to ordinary shares of PGH plc at the conversion price of US $1,000 per share, subject to adjustment in accordance with the terms and conditions of the notes and all accrued and unpaid interest will be cancelled, on occurrence of any of the following trigger events:

(a) the amount of Own Fund items eligible to cover the SCR is equal to or less than 75 percent of the SCR;

(b) the amount of Own Fund items eligible to cover the MCR is equal to or less than the MCR; or

(c) a breach of the SCR has occurred and such breach has not been remedied within a period of three months from the date on which the breach was first observed.

Analysis of movement in subordinated debt

The table below sets out the changes in subordinated debt during the year.

Tier	Opening subordinated debt at 1 January 2022 £m	Subordinated debt issuance £m	Repayment of subordinated debt £m	Foreign exchange retranslation £m	Changes in fair value £m	Closing subordinated debt at 31 December 2023 £m
Restricted Tier 1	588	–	–	(31)	12	569
Tier 2	2,630	350	(350)	(48)	129	2,711
Tier 3	224	–	–	–	9	233
Total subordinated debt	3,442	350	(350)	(79)	150	3,513

On 6 December 2023 the Group issued £350 million fixed rate reset callable Tier 2 Notes which are unsecured and subordinated. The Notes have a maturity date of 6 December 2053 with an optional issuer par call right on any day in the six month period up to and including 6 December 2033.

On 7 December 2023, the Group repurchased £231 million of the principal amount of the £428 million subordinated Tier 2 notes due 2025 via a tender offer. The remaining principal amount of these notes at 31 December 2023 is £197 million.

On 7 December 2023, the Group repurchased US $150 million of the principal amount of the US $500 million Fixed Rate Reset Tier 2 notes due 2031 via a tender offer. The remaining principal amount of the notes at 31 December 2023 is US $350 million.

E.1.3.3 Availability restrictions

As shown in the summary table of the PGH Group's solvency position (see section E.1.3), the total non-available Group Own Funds are £(3,217) million (2022: £(3,646) million). There were no availability restrictions applied with respect to PRL. Further details on each of the restrictions are included below.

	31 December 2023 £m	31 December 2022 £m
Adjustment for restricted Own Funds items in respect of RFF	(2,194)	(2,546)
Non-available Own Funds – pension scheme surplus	(352)	(493)
Non-available Own Funds – foreseeable dividends and distributions	(269)	(265)
Non-available Own Funds – PLL availability restriction	(192)	(226)
Non-available Own Funds – SLIDAC availability restriction	–	(48)
Non-available Own Funds – Disposal Group restriction	(128)	(54)
Non-available Own Funds – own shares restriction	(16)	(14)
Non-available Own Funds – EU UK Risk Margin Difference	(66)	–
Total non-available Own Funds	(3,217)	(3,646)

E.1 Own Funds and analysis of solvency position continued

E.1.3 Analysis of solvency position – PGH Group continued

E.1.3.3 Availability restrictions continued

Ring Fenced Funds restriction

The regulations specify that certain Own Funds items in with-profit funds and Matching Adjustment portfolios should be restricted. The with-profit funds and Matching Adjustment portfolios in the Life Companies are treated as RFFs. This means they can only be included in the calculation of Group solvency at an amount less than or equal to the notional SCR of the RFF.

The items of Own Funds within each with-profit RFF are the value of surplus funds, future shareholder transfers, and any shareholder capital support received. Any Own Funds above SCR in the Matching Adjustment portfolios are also restricted and also shown as a deduction to the reconciliation reserve.

There are no restrictions for Matching Adjustment portfolios at 31 December 2023 (2022: £nil).

The items of Own Funds within each with-profit RFF are the value of surplus funds, future shareholder transfers, and any shareholder capital support received The with-profit RFF deduction from the reconciliation reserve of £2,194 million (2022: £2,546 million) comprises £1,564 million (2022: £427 million) from PLL RFFs, £nil (2022: £346 million) from PLAL RFFs, £nil (2022: £1,309 million) from SLAL RFFs and £629 million (2022: £464 million) from RAL RFFs and £1 million from SLOC RFFs.

The excess of assets over liabilities across all RFFs in the PGH Group which are subject to restriction and Matching Adjustment portfolios are £5,906 million (2022: £6,293 million).

Pension scheme surplus restriction

Pension scheme surpluses are not considered to be available to cover the Group SCR and are therefore only included up to the contribution to the Group SCR of the undertaking that recognises the surplus.

As at 31 December 2023, £107 million (2022: £166 million) of the PGL Scheme surplus, £205 million (2022: £298 million) of the Pearl Group Scheme surplus, £23 million (2022: £27 million) of the ReAssure Staff Pension Scheme surplus, £nil (2022: £2 million) of the Abbey Scheme surplus and £17 million of the SLOC Scheme surplus was restricted. The pension scheme surpluses used in the calculation of these restrictions allowed for assets held in ring-fenced accounts for the benefit of the pension schemes and included the elimination of any intra-group 'buy-in' arrangements in place between the pension schemes and PLL (see PLL availability restriction, below, for further details).

Foreseeable dividends and distributions

A restriction of £269 million has been recognised as at 31 December 2023 (2022: £265 million), reflecting dividends on ordinary shares which have been approved by the Board at the time of sign-off of the SFCR together with the accrued coupon on the Tier 1 Notes.

PLL availability restriction

The contribution of each entity to the PGH Group Solvency II surplus is restricted if the Group benefits from the elimination of intra-group transactions compared to an entity's solo position, where those benefits are not backed by fungible and transferable Own Fund items.

PLL has entered into 'buy-in' agreements with the Pearl Group Scheme and the PGL Pension Scheme (further details can be found in notes G1.1 and G1.2 to the 2023 PGH consolidated financial statements. Following the elimination of intra-group amounts in relation to these transactions, the contribution of PLL to the Group's Solvency II surplus exceeded its solo Solvency II surplus by £192 million (2022: £226 million). Accordingly, a restriction of the same amount has been applied to Group Own Funds.

Disposal Group restriction

In February 2021, as part of a wider transaction to simplify the arrangements of their Strategic Partnership, the Group has agreed to sell its UK investment and platform-related products to abrdn plc. A rescoping exercise was conducted prior to 31 December 2023 which resulted in agreement to reduce the range of products included within the agreement for sale to abrdn. The sale will be effected through a Part VII transfer targeted for completion in 2025. The economic risk and rewards for this business transferred to abrdn plc via a profit transfer arrangement effective from 1 January 2021. Under the regulations, the cash flows under such a profit transfer arrangement are not included in the determination of technical provisions. However, it has been assessed that the existence of the profit transfer arrangement represents a barrier to the availability of Own Funds associated with the business to be disposed of. Accordingly, a £128 million (2022: £54 million) availability restriction has been recognised in the PGH Group solvency position.

Own shares restriction

A deduction of £16 million (2022: £14 million) has been applied to the reconciliation reserve reflecting own shares held by PGH.

UK EU risk margin difference

As explained in section D2.11, the Group risk margin is determined by consolidating the risk margins for each insurance subsidiary calculated in accordance with UK Solvency II rules. This results in the contribution to the Group risk margin from the Irish insurance subsidiaries being lower than the entity risk margins determined on an EU Solvency II basis for solo regulatory purposes.

The Group has assessed that the benefit arising in the Group solvency calculation would not be available to absorb losses elsewhere in the Group, as capital would need to be retained by the Irish insurance subsidiaries to support their local risk margins.

Accordingly, a £66 million (2022: £nil) availability restriction has been applied in the PGH Group solvency position.

E.1 Own Funds and analysis of solvency position continued
E.1.3 Analysis of solvency position – PGH Group continued
E.1.3.4 Group SCR
The Group SCR is determined on a Partial Internal Model ('PIM') basis. The Group has in place an approved Internal Model that covers the Phoenix Life, Standard Life (excluding SLIDAC) and certain non-insurance entities. All other entities, including all Bermuda-based entities, are included in the consolidated SCR on a Standard Formula basis. See section E.4.1 for further details of the scope of the Internal Model.

The Group uses Method 1 (the default accounting based consolidation method) for the calculation of the Group SCR under which the Internal Model and Standard Formula components of the SCR are aggregated with no further allowance for diversification between the two components. Further details of the methodology used to calculate the SCR are included in section E.2 and a description of the undertakings which are in the scope of the Group's PIM are provided in section E.4.1.

Details of the components of the Group SCR are shown in the table below:

Components of consolidated Group SCR As at 31 December 2023	SCR pre diversification £m	Group adjustments £m	Diversification benefits £m	Total SCR £m
Life Companies	7,083	(270)	(125)	6,688
Insurance holding companies	372	40	(18)	394
Service Companies	96	–	–	96
UCITS management company	7	–	–	7
Other entities	–	25	–	25
Total Group SCR	7,558	(205)	(143)	7,210

SCR in respect of insurance holding companies and other entities relates primarily to the Group's exposure to its defined benefit pension schemes, derivative instruments held in the insurance holding companies, Group expenses and tax.

The negative Group adjustment of £270 million for the Life Companies relates primarily to the impact of consolidating out the SCR held in respect of defined benefit pension scheme obligations which are subject to intra-group buy-in transactions between PLL and the PGL Pension Scheme and the Pearl Group Staff Pension Scheme.

The Group diversification benefits principally arise from:

- synergies that arise where undertakings within the Group are exposed to stresses in opposite directions. For example, the Life Companies are exposed to a rise in credit spreads, whilst the Group pension schemes are exposed to a fall in credit spreads; and
- diversification of risks between undertakings that have different risk profiles. For example, the Life Companies have a higher risk exposure to persistency and credit risk relative to the pension schemes.

Minimum Consolidated Group SCR
The main capital requirement under Solvency II is the SCR. However, the regulations also set out a Minimum Capital Requirement ('MCR') that reflects the absolute minimum metric that, if breached, will trigger serious regulatory intervention. The Minimum Consolidated Group SCR ('MGSCR') applies at a Group level and is calculated as the sum of the MCRs of each insurance subsidiary.

The MGSCR is analysed as follows at 31 December 2023.

Entity – Minimum Capital Requirement	31 December 2023 £m	31 December 2022 £m
PLL	1,691	569
PLAL	3	167
SLAL	3	952
SLPF	3	3
RAL	335	476
RLL	8	10
SLOC[1]	44	–
PA(GI)	6	3
SLIDAC	105	102
PLAE	13	–
PRL	9	–
PGH Group MGSCR	2,220	2,282

1 SLOC MCR as at 31 December 2022 (pre acquisition) was £40 million.

Further details regarding the calculation of MCRs are set out in section E.2.3.

Excess of Own Funds over MGSCR
The MGSCR for the PGH is comfortably met with an excess over MGSCR of £5,807 million (2022: £5,946 million), with a ratio of Eligible Own Funds to MGSCR of 362% (2022: 361%).

The determination of the Eligible Own Funds available to meet the MGSCR requires the application of specific quantitative limits on the tiering of available capital. Application of these tests as at 31 December 2023 results in a £2,267 million (2022: £2,173 million) restriction to Tier 2 capital as a result of it exceeding the eligibility limit of 20% of MGSCR.

E.1 Own Funds and analysis of solvency position continued
E.1.3 Analysis of solvency position – PGH Group continued
E.1.3.4 Group SCR continued

Analysis of Own Funds eligible to cover MGSCR	Tier 1 Unrestricted £m	Tier 1 Restricted £m	Tier 2 £m	Tier 3 £m	31 December 2023 £m	31 December 2022 £m
Available Own Funds to meet Minimum Group SCR ('MGSCR')	6,514	1,069	2,711	–	10,294	10,401
Eligibility restrictions MGSCR	–	–	(2,267)	–	(2,267)	(2,173)
Eligible Own Funds to meet Minimum Group SCR	6,514	1,069	444	–	8,027	8,228
Minimum Group SCR					(2,220)	(2,282)
Excess over Minimum Group SCR					5,807	5,946
Ratio of Eligible Own Funds to Minimum Group SCR					362%	361%

E.1.3.5 Analysis of movement in capital position

The table below provides an analysis of significant changes in the capital position during the year, split by Eligible Own Funds and SCR. As they do not contribute to the Solvency II surplus, all movements in Eligible Own Funds and SCR attributable to the unsupported with-profit funds and pension schemes have been presented as a single line in the analysis.

Analysis of movement in Group solvency position	Note	Eligible Own funds £m	Group SCR £m	Solvency II surplus £m
Opening position at 1 January 2023		11,146	(6,644)	4,502
Operating surplus generation	1	927	174	1,101
New Business strain	2	(149)	(159)	(308)
Methodology & assumptions changes	3	259	(40)	219
Management actions	4	(42)	378	336
Acquisition of SLF of Canada UK Limited	5	83	(193)	(110)
Economic and other variances		(711)	(270)	(981)
Economic variances on long-term business	6	(247)	(122)	(369)
Other variances	7	(464)	(148)	(612)
Financing, corporate costs and dividends	8	(850)	(50)	(900)
Movement in unsupported with-profit funds and pension schemes		406	(406)	–
Closing position at 31 December 2023		11,069	(7,210)	3,859

Note	Item	Information
1	**Operating surplus generation**	Operating surplus generation increased the Solvency II surplus by £1,101 million. This incorporates an expected real-world return on assets and includes the run-off of capital requirements and risk margin. This also includes £303 million of recurring management actions largely comprising value accretive asset management-related actions. Recurring management actions are those that are considered to be either genuinely repeatable, repeatable in nature but subject to diminishing returns or not repeatable but benefits are expected from similar types of actions. These positive impacts are partially offset by TMTP run-off. Further details on the determination of Operating surplus generation are set out in the Alternative Performance Measures section of the Group's 2023 Annual Report and Accounts.
2	**New business strain**	The impact of new business strain reduced the Solvency II surplus by £(308) million. This primarily reflects £(293) million arising on BPA transactions completed, which generated premiums of £6.2 billion. The strain reflects the assets received on Day 1 adjusted for the impact of subsequent asset trade ups in the period and is stated net of reinsurance in-force as at the balance sheet date. The remaining £(15) million strain is attributable to other new business written, including vesting annuities.
3	**Methodology & assumptions changes**	The £219 million increase in Solvency II surplus primarily reflects the favourable impact of the UK's reform of the Solvency II Risk Margin and the removal of the Financial Resources Requirement ('FRR') constraint on TMTP, together with net favourable demographic assumption changes, principally a weakening of longevity and persistency assumptions, partially offset by the strengthening of mortality assumptions. These favourable impacts have been partially offset by the strengthening of expense provisions in relation to the delivery of the Group Target Operating Model for IT and Operations.
4	**Management actions**	Delivery of management actions increased the Solvency II surplus by £336 million throughout the year, with the most significant items relating to implementation longevity reinsurance and capital synergies arising at the Group level from the funds merger of PLAL, SLAL and SLPF into PLL.
5	**Acquisition of SLF of Canada UK Limited**	The strain arising on acquisition reflects the £(250) million consideration paid net of the Day 1 take-on value.

Capital management continued

E.1 Own Funds and analysis of solvency position continued
E.1.3 Analysis of solvency position – PGH Group continued
E.1.3.5 Analysis of movement in capital position continued

Note	Item	Information
6	**Economic variances**	Economic variances reduced the Solvency II surplus by £(369) million, which includes a £0.1 billion adverse impact of the mandatory recalculation of TMTP. The remaining adverse variance included the impact of unhedged gilt-swap spread movements as well as adverse currency movements and some other smaller adverse impacts.
7	**Other variances**	A number of other one-off items reduced the Solvency II surplus by £(612) million. This includes £(454) million of the adverse impacts associated with corporate and life company one-off project costs, including costs associated with transition activity and investment in organic growth propositions. Other variances also includes the impact of the implementation of the new Consumer Duty. The Group's on-going focus on ensuring good outcomes for Heritage customers means that we have identified only a small number of products that we believe need addressing in advance of the compliance date in July 2024. The Group has set aside a prudent c.£70 million to reflect the impact of the possibility of introducing further charging caps on certain products.
8	**Financing, corporate costs and dividends**	Financing, corporate costs and dividends reduced the Solvency II surplus by £(900) million. This principally comprises debt interest (including the coupon payable on the Tier 1 Notes) of £(236) million, the cost of dividends of £(525) million and corporate and head office costs incurred in the year, together with movements in and contributions to the Group's supported pension schemes.

E.1.3.6 Reconciliation of IFRS equity to excess of assets over liabilities
The table below provides an analysis of the key differences between the Group's net assets under IFRS and the excess of assets over liabilities under Solvency II.

Description	Section reference	31 December 2023 £m
Total consolidated equity per IFRS[1]		**2,990**
Valuation differences:		
Assets (decrease)/increase:		
Goodwill	D.1.2	**(10)**
Intangible assets/Deferred acquisition costs	D.1.2	**(2,026)**
Deferred tax assets	D.1.2	**214**
Property, plant and equipment held for own use	D.1.2	**(22)**
Holdings in related undertakings, including participations	D.1.2	**(235)**
Reinsurance recoverables	D.1.2	**(2,131)**
Receivables (trade, not insurance)	D.1.2	**(57)**
Total asset valuation differences		**(4,267)**
Liabilities decrease/(increase):		
Technical provisions	D.2.2	**13,067**
Deferred tax liabilities	D.3.2	**(1,284)**
Insurance and intermediaries payables	D.3.2	**72**
Payables (trade, not insurance)	D.3.2	**(49)**
Subordinated liabilities	D.3.2	**244**
Total liability valuation differences		**12,050**
Excess of assets over liabilities		**10,773**

1 Reflects IFRS total equity attributable to ordinary shareholders of the parent of £2,496 million plus Tier 1 Notes of £494 million as reported in the PGH plc Group Report and Accounts for the year ended 31 December 2023.

E.1 Own Funds and analysis of solvency position continued

E.1.4 Analysis of solvency position – PLL

The table below summarises the solvency position for PLL at 31 December 2023. The Own Funds QRT S.23.01.01 can be found at Appendix 2.5.

Description	Section reference	Unrestricted Tier 1 £m	Tier 3 £m	31 December 2023 Total £m	31 December 2022 Total £m
Ordinary share capital and share premium	E.1.4.2	70	–	70	70
Surplus funds	E.1.4.2	3,663	–	3,663	929
Reconciliation reserve (pre-availability restrictions)[1]	E.1.4.2	5,592	–	5,592	3,052
Deferred Tax Asset		–	155	155	42
Excess of assets over liabilities		9,325	155	9,480	4,093
Total Basic and Available Own Funds		9,325	155	9,480	4,093
Ring Fenced Fund restriction[1]	E.1.4.4	(1,563)	–	(1,563)	(427)
Eligible Own Funds to meet SCR		7,762	155	7,917	3,665
SCR	E.2.1			(5,122)	(2,275)
Solvency II surplus				2,795	1,390
Ratio of Eligible Own Funds to SCR	E.1.4.1			155%	161%
Shareholder capital coverage ratio	E.1.4.1			193%	173%
Eligible Own Funds to meet MCR	E.1.4.1	7,762	–	7,762	3,624
MCR	E.2.3			(1,691)	(569)
Excess over MCR	E.1.4.1			6,071	3,055
Ratio of Eligible Own Funds to MCR	E.1.4.1			459%	637%

1 Basic Own Funds do not agree to that presented on the Own Funds QRT due to the different presentation of the availability restrictions in the table above. The reconciliation reserve as shown on Own funds QRT includes the reconciliation reserve (pre availability restrictions) amount of £5,592 million (2022: £3,052 million) and Ring Fenced Fund restriction of £(1,563) million (2022: £(427) million). Details of non-available own funds are provided in section E.1.4.4.

2 Shareholder capital coverage ratio reflects the mandatory recalculation of TMTP at 31 December 2023.

E.1.4.1 Overview of Solvency position

As at 31 December 2023, the Solvency II surplus over SCR is £2,795 million (2022: £1,390 million), with a ratio of Eligible Own Funds to SCR of 155% (2022: 161%). The excess of Eligible Own Funds after deductions over the MCR is £6,071 million (2022: £3,055 million), with a ratio of Eligible Own Funds to MCR of 459% (2022: 637%).

Eligible Own Funds after deductions to meet the SCR comprise of ordinary share capital, share premium, surplus funds, a reconciliation reserve and deferred tax assets. This includes TMTP which is included in the calculation of Basic Own Funds as Tier 1 capital.

Excluding the SCR and Own Funds relating to unsupported with-profit funds, the Solvency II shareholder capital coverage ratio is 193% as at 31 December 2023 (2022: 173%).

E.1.4.2 Basic Own Funds items

The Basic Own Funds before deductions total £9,480 million (2022: £4,093 million) and comprise ordinary share capital, share premium, surplus funds, reconciliation reserve and deferred tax assets. Further details regarding each Basic Own Funds item are set out below.

Ordinary share capital and share premium

The issued and fully paid ordinary share capital and share premium of £70 million (2022: £70 million) is treated as unrestricted Tier 1 Own Funds, as it meets Tier 1 requirements. The Articles of Association of PLL include the right to cancel and withhold dividends at any time prior to payment.

Surplus funds

The Basic Own Funds include surplus funds of £3,663 million (2022: £929 million) which are classified as Tier 1 unrestricted Own Funds. Further details regarding the Solvency II treatment of surplus funds are set out in section E.1.3.1.

Reconciliation reserve

The reconciliation reserve is treated as Tier 1 unrestricted Own Funds and is primarily made up of the excess of assets over liabilities, reduced by ordinary share capital, share premium, surplus funds and deferred tax assets.. The reconciliation reserve may be subject to potential volatility and further details regarding the impact of various sensitivities on the excess of assets over liabilities which forms part of the Own Funds calculation are set out in section C.7.

Deferred tax asset

PLL has £155 million (2022: £42 million) of deferred tax assets which are classified as Tier 3 Own Funds.

E.1.4.3 Availability restrictions

As shown in the summary table of the PLL's solvency position (see section E.1.4), there is a deduction to Own Funds of £1,563 million (2022: £427 million) in respect of a RFF restriction. Further details regarding the Solvency II treatment for this restriction are included in section E.1.3.3.

The total excess of assets over liabilities for the RFFs and the Matching Adjustment portfolio are £4,676 million (2022: £2,004 million), and this is restricted by the £1,563 million (2022: £427 million) RFF restriction. There are no restrictions to the Matching Adjustment portfolio at 31 December 2023 (2022: none).

E.1 Own Funds and analysis of solvency position continued
E.1.4 Analysis of solvency position – PLL continued
E.1.4.4 Analysis of movement in capital position
The table below provides an analysis of significant changes in the capital position during the year, including Own Funds, SCR and Solvency II surplus. As they do not contribute to the Solvency II surplus, all movements in Eligible Own Funds and SCR attributable to the unsupported with-profit funds have been presented as a single line in the analysis.

Analysis of movement in solvency position	Note	Eligible Own funds £m	SCR £m	Solvency II surplus £m
Opening position at 1 January 2023		**3,665**	**(2,275)**	**1,390**
Operating surplus generation	1	474	70	544
New Business strain	2	(95)	(66)	(161)
Methodology & assumptions changes	3	336	(11)	325
Management actions	4	(68)	77	9
Part VII transfer	5	3,343	(1,159)	2,184
Economic and other variances		**(109)**	**(285)**	**(394)**
Economic variances on long-term business	6	(197)	(87)	(284)
Other variances	7	88	(198)	(110)
Intragroup capital flows	8	(1,127)	25	(1,102)
Movement in unsupported with-profit funds and pension schemes		1,498	(1,498)	–
Closing position at 31 December 2023		**7,917**	**(5,122)**	**2,795**

Note	Item	Information
1	**Operating surplus generation**	Operating surplus generation increased the Solvency II surplus by £544 million. This primarily reflects the run-off of capital requirements and risk margin and also includes £270 million of recurring management actions largely comprising value accretive asset management-related actions. Recurring management actions are those that are considered to be either genuinely repeatable, repeatable in nature but subject to diminishing returns or not repeatable but benefits are expected from similar types of actions. These positive impacts are partially offset by the amortisation of TMTP.
2	**New business strain**	The impact of new business strain reduced the Solvency II surplus by £(161) million. This was primarily driven by the £6.2 billion of BPA transactions completed in the year, where the capital strain reflects the assets received on Day 1 (adjusted for any related asset trade-ups transacted in the year) and is stated net of reinsurance in-force as at the balance sheet date.
3	**Methodology & assumptions changes**	The £325 million increase in Solvency II surplus primarily reflects favourable impacts from updating longevity assumptions as part of demographic and expense assumptions review throughout the year, together with positive impact relating to the change in risk margin calculation as a result of Solvency II Reforms.
4	**Management actions**	Delivery of management actions increased the Solvency II surplus by £9 million primarily reflects continued investment in illiquid assets and optimisation of the Matching Adjustment portfolios.
5	**Part VII transfer**	The favourable impact of £2,184 million reflects the Part VII transfer of the businesses of PLAL, SLAL and SLPF into PLL, including the generation of additional diversification benefits.
6	**Economic variances**	Economic variances decreased the Solvency II surplus by £(284) million, primarily driven by the changes in gilt-swap spreads, adverse currency movements and a number of other smaller impacts.
7	**Other variances**	Other variances reduced the Solvency II surplus by £(110) million. This primarily reflects the increased project spend for IFRS 17 and other projects and a number of smaller variances of a one-off nature.
8	**Intragroup capital flows**	Dividend payments, repayments of capital contribution and the settlement of intragroup loan reduced the Solvency II surplus by £(1,352) million, which is partially offset by the capital support of £250 million received from the Company's parent in support of BPA activity.

E.1 Own Funds and analysis of solvency position continued

E.1.4 Analysis of solvency position – PLL continued

E.1.4.5 Reconciliation of UK GAAP equity to excess of assets over liabilities

The table below provides an analysis of the key differences between PLL's net assets under UK GAAP and the excess of assets over liabilities under Solvency II.

Description	Section reference	31 December 2023 £m
Total equity per UK GAAP		**2,291**
Valuation differences:		
Assets decrease:		
Deferred acquisition costs/Intangible assets	D.1.2	**(311)**
Reinsurance recoverables	D.1.2	**(1,476)**
Receivables (trade, not insurance)	D.1.2	**(83)**
Total asset valuation differences		**(1,870)**
Liabilities decrease/(increase):		
Technical provisions	D.2.2	**9,121**
Other technical provisions (unallocated surplus)	D.2.2	**937**
Deferred tax liabilities	D.3.2	**(1,138)**
Insurance and intermediaries payables	D.3.2	**111**
Any other liabilities not elsewhere shown	D.3.2	**28**
Total liability valuation differences		**9,059**
Excess of assets over liabilities		**9,480**

E.1.5 Analysis of solvency position – PLAL

The table below summarises the solvency position for PLAL as at 31 December 2023. The Own Funds QRT S.23.01.01 can be found at Appendix 3.5.

Description	Section reference	31 December 2023 Total £m	31 December 2022 Total £m
Ordinary share capital and share premium	E.1.5.2	**383**	383
Surplus funds		**–**	654
Reconciliation reserve (pre-availability restrictions)[1]	E.1.5.2	**(379)**	510
Deferred tax assets	E.1.5.2	**–**	13
Excess of assets over liabilities		**4**	1,560
Total Basic and Available Own Funds		**4**	1,560
Ring Fenced Fund restriction[1]	E.1.5.3	**–**	(346)
Eligible Own Funds to meet SCR		**4**	1,214
SCR[2]	E.2.3	**(3)**	(666)
Solvency II surplus		**1**	548
Ratio of Eligible Own Funds to SCR	E.1.5.1	**127%**	182%
Shareholder capital coverage ratio	E.1.5.1	**127%**	255%
Eligible Own Funds to meet MCR	E.1.5.1	**4**	1,201
MCR	E.2.3	**(3)**	(167)
Excess over MCR	E.1.5.1	**1**	1,034
Ratio of Eligible Own Funds to MCR	E.1.5.1	**127%**	720%

1 Basic Own Funds as at 31 December 2022 do not agree to that presented on the Own Funds QRT due to the different presentation of the availability restrictions in the table above. The reconciliation reserve as shown on Own funds QRT includes the reconciliation reserve (pre availability restrictions) amount of £379 million (2022: £510 million) and Ring Fenced Fund restriction of £nil (2022: £(346) million). Details of non-available own funds are provided in section E.1.5.3.

2 The capital requirements and solvency ratios for PLAL are based on the MCR, as this is the biting constraint for the entity

E.1.5.1 Overview of Solvency position

As a result of the funds transfer there is no insurance business remaining in PLAL at 31 December 2023 and the SCR is £nil. The Solvency II surplus is therefore determined with reference to the MCR, which is the biting constraint for PLAL.

The excess of Eligible Own Funds after deductions over the MCR is £1 million (2022: £1,034 million), with a ratio of Eligible Own Funds to MCR of 127% (2022: 720%).

PLAL's Eligible Own Funds after deductions to meet the MCR comprise of ordinary share capital, share premium and a reconciliation reserve.

There are no deductions for restricted assets in respect of RFFs, Matching Adjustment portfolios, encumbrances or foreseeable dividends.

E.1 Own Funds and analysis of solvency position continued

E.1.5 Analysis of solvency position – PLAL continued

E.1.5.2 Basic own Funds items

The Basic Own Funds before deductions total £4 million (2022: £1,560 million) and comprise ordinary share capital, share premium and a reconciliation reserve. Further details regarding each Basic Own Funds item are set out below.

Ordinary share capital and share premium

The issued and fully paid ordinary share capital and share premium of £383 million (2022: £383 million) is treated as unrestricted Tier 1 Own Funds, as it meets Tier 1 requirements. The Articles of Association of PLAL include the right to cancel and withhold dividends at any time prior to payment.

Reconciliation reserve

The reconciliation reserve is treated as Tier 1 Own Funds and is primarily made up of the excess of assets over liabilities, reduced by ordinary share capital, and share premium.

E.1.5.3 Availability restrictions

There are no availability restrictions at 31 December 2023. As shown in the summary table of the PLAL's solvency position (see section E.1.5), a deduction to Own Funds of £346 million was made at 31 December 2022 in respect of an RFF restriction.

E.1.5.4 Analysis of movement in capital position

The table below provides an analysis of significant changes in the capital position during the year, including Own Funds, SCR and Solvency II surplus. As they do not contribute to the Solvency II surplus, all movements in Eligible Own Funds and SCR attributable to the unsupported with-profit funds have been presented as a single line in the analysis.

Analysis of movement in solvency position	Note	Eligible Own funds £m	SCR/MCR £m	Solvency II surplus £m
Opening position at 1 January 2023		**1,214**	**(666)**	**548**
Operating surplus generation	1	60	8	68
New Business strain	2	3	(7)	(4)
Methodology & assumptions changes	3	1	12	13
Part VII transfer	4	(894)	321	(573)
Economic and other variances		**(66)**	**15**	**(51)**
Economic variances on long-term business	5	(58)	46	(12)
Other variances	6	(8)	(31)	(39)
Movement in unsupported with-profit funds and pension schemes		(314)	314	–
Closing position at 31 December 2023		**4**	**(3)**	**1**

Note	Item	Information
1	**Operating surplus generation**	Operating surplus generation increased the Solvency II surplus by £68 million. This primarily reflects the run-off of capital requirements and risk margin and also includes £33 million of recurring management actions largely comprising value accretive asset management-related actions. Recurring management actions are those that are considered to be either genuinely repeatable, repeatable in nature but subject to diminishing returns or not repeatable but benefits are expected from similar types of actions. These positive impacts are partially offset by the amortisation of TMTP.
2	**New business**	The impact of new business strain from vesting annuities reduced the Solvency II surplus by £(4) million.
3	**Methodology & assumptions changes**	Demographic and expense assumptions are reviewed throughout the year and resulted in an overall net £13 million increase in Solvency II surplus.
4	**Part VII transfer**	The strain of (573) million reflects the Part VII transfer of the business of PLAL into PLL.
5	**Economic variances**	Economic variances decreased the Solvency II surplus by £(12) million, primarily driven by the change in gilt-swap spreads and equity market during the year and the associated hedging impacts.
6	**Other variances**	Other variances included a number of one-off items and project costs that decreased the Solvency II surplus by £(39) million.

E.1.5.5 Reconciliation of UK GAAP equity to excess of assets over liabilities

At 31 December 2023 there are no differences between PLAL's equity under UK GAAP and the Solvency II excess of assets over liabilities.

E.1 Own Funds and analysis of solvency position continued

E.1.6 Analysis of solvency position – SLAL

The table below summarises the solvency position for SLAL as at 31 December 2023. The Own Funds QRT S.23.01.01 can be found at Appendix 7.5.

Description	Section reference	31 December 2023 Total £m	31 December 2022 Total £m
Ordinary share capital and share premium	E.1.6.2	**147**	147
Surplus funds		**–**	1,923
Reconciliation reserve (pre-availability restrictions)[1]	E.1.6.2	**(143)**	2,528
Deferred tax assets		**–**	62
Excess of assets over liabilities		**4**	4,660
Total Basic and Available Own Funds		**4**	4,660
Ring Fenced Fund restriction[1]	E.1.6.3	**–**	(1,309)
Eligible Own Funds to meet SCR		**4**	3,351
SCR[2]	E.2.3	**(3)**	(2,116)
Solvency II surplus		**1**	1,235
Ratio of Eligible Own Funds to SCR	E.1.6.1	**114%**	158%
Shareholder capital coverage ratio	E.1.6.1	**114%**	191%
Eligible Own Funds to meet MCR	E.1.6.1	**4**	3,289
MCR	E.2.3	**(3)**	(952)
Excess over MCR	E.1.6.1	**1**	2,337
Ratio of Eligible Own Funds to MCR	E.1.6.1	**114%**	345%

1 Basic Own Funds as at 31 December 2022 do not agree to that presented on the Own Funds QRT due to the different presentation of the availability restrictions in the table above. The reconciliation reserve as shown in the Own funds QRT includes the reconciliation reserve (pre availability restrictions) amount of £(143) million (2022: £2,528 million) and Ring Fenced Fund restriction of £nil (2022: £(1,309) million). Details of non-available own funds are provided in section E.1.6.3.

2 The capital requirement and solvency ratio for SLAL are based on the MCR, as this is the biting constraint for the entity

E.1.6.1 Overview of Solvency position

As a result of the funds transfer there is no material insurance business remaining in SLAL at 31 December 2023 and the SCR is £nil. The Solvency II surplus is therefore determined with reference to the MCR, which is the biting constraint for SLAL.

The excess of Eligible Own Funds after deductions over the MCR is £1 million (2022: £2,337 million), with a ratio of Eligible Own Funds to MCR of 114% (2022: 345%).

SLAL's Eligible Own Funds after deductions to meet the MCR comprise of ordinary share capital, share premium, and a reconciliation reserve.

There are no deductions for restricted assets in respect of RFFs, Matching Adjustment portfolios, encumbrances or foreseeable dividends.

E.1.6.2 Basic Own Funds items

The Basic Own Funds total £4 million (2022: £4,660 million) and comprise of ordinary share capital, share premium and a reconciliation reserve. Further details regarding each Basic Own Funds item are set out below.

Ordinary share capital and share premium

The issued and fully paid ordinary share capital and share premium of £147 million (2022: £147 million) is treated as unrestricted Tier 1 Own Funds, as it meets Tier 1 requirements. The Articles of Association of SLAL include the right to cancel and withhold dividends at any time prior to payment.

Reconciliation reserve

The reconciliation reserve is treated as Tier 1 unrestricted Own Funds and is primarily made up of the excess of assets over liabilities, reduced by ordinary share capital, and share premium.

E.1.6.3 Availability restrictions

There are no availability restrictions at 31 December 2023. As shown in the summary table of the SLAL's solvency position (see section E.1.6), a deduction to Own Funds of £1,309 million was made at 31 December 2022 in respect of an RFF restriction.

E.1 Own Funds and analysis of solvency position continued

E.1.6 Analysis of solvency position – SLAL continued

E.1.6.4 Analysis of movement in capital position

The table below provides an analysis of significant changes in the capital position during the year, including Own Funds, SCR and Solvency II surplus. As they do not contribute to the Solvency II surplus, all movements in Eligible Own Funds and SCR attributable to the unsupported with-profit funds have been presented as a single line in the analysis.

Analysis of movement in solvency position	Note	Eligible Own funds £m	SCR/MCR £m	Solvency II surplus £m
Opening position at 1 January 2023		**3,351**	**(2,116)**	**1,235**
Operating surplus generation	1	24	7	31
Methodology & assumptions changes	2	(13)	20	7
Management actions	3	10	–	10
Part VII transfer	4	(2,449)	1,302	(1,147)
Economic and other variances		**(87)**	**(39)**	**(126)**
Economic variances on long-term business	5	(154)	(29)	(183)
Other variances	6	67	(10)	57
Intragroup capital flows	7	16	(25)	(9)
Movement in unsupported with-profit funds and pension schemes		(848)	848	–
Closing position at 31 December 2023		**4**	**(3)**	**1**

Note	Item	Information
1	**Operating surplus generation**	Operating surplus generation increased the Solvency II surplus by £31 million, which primarily reflects the run-off of capital requirements and risk margin. This was partially offset by the amortisation of TMTP.
2	**Methodology & assumptions changes**	Demographic and expense assumptions are reviewed throughout the year and resulted in an overall net £7 million increase in Solvency II surplus.
3	**Management actions**	Delivery of management actions increased the Solvency II surplus by £10 million primarily reflects continued investment in illiquid assets and optimisation of the Matching Adjustment portfolios.
4	**Part VII transfer**	The strain of (1,147) million reflects the Part VII transfer of the business of SLAL into PLL.
5	**Economic variances on long-term business**	Economic variances decreased the Solvency II surplus by £(183) million, primarily driven by the change in gilt-swap spreads and equity market during the year and the associated hedging impacts.
6	**Other variances**	Other variances include a number of one off items increased the Solvency II surplus by £57 million.
7	**Intragroup capital flows**	Intragroup capital flows decreased the Solvency II surplus by £(9) million, which primarily reflects the intragroup interest income and the movement in SCR prior to Part VII transfer.

E.1.6.5 Reconciliation of UK GAAP equity to excess of assets over liabilities

At 31 December 2023 there are no differences between SLAL's equity under UK GAAP and the Solvency II excess of assets over liabilities.

E.1.7 Analysis of solvency position – SLPF

The table below summarises the solvency position for SLPF as at 31 December 2023. The Own Funds QRT S.23.01.01 can be found at Appendix 5.3.

Description	Section reference	31 December 2023 Total £m	31 December 2022 Total £m
Reconciliation reserve (pre-availability restrictions)[1]	E.1.7.2	**4**	11
Basic, Available and Eligible Own Funds to meet SCR		**4**	11
SCR[2]	E.2.3	**(3)**	–
Solvency II surplus		**1**	11
Ratio of Eligible Own Funds to SCR	E.1.7.1	**118%**	3,020%
Shareholder capital coverage ratio	E.1.7.1	**118%**	3,020%
Eligible Own Funds to meet MCR	E.1.7.1	**4**	11
MCR	E.2.3	**(3)**	(3)
Excess over MCR	E.1.7.1	**1**	8
Ratio of Eligible Own Funds to MCR	E.1.7.1	**118%**	310%

1 The reconciliation reserve is the excess of assets over liabilities of £4 million (2022: £11 million) and treated as Tier 1 unrestricted Own Funds.

2 The capital requirement and solvency ratio for SLPF are based on the MCR, as this is the biting constraint for the entity.

Capital management continued

E.1 Own Funds and analysis of solvency position continued

E.1.7 Analysis of solvency position – SLPF continued

E.1.7.1 Overview of Solvency position

As a result of the funds transfer there is no insurance business remaining in SLPF at 31 December 2023 and the SCR is £nil. The Solvency II surplus is therefore determined with reference to the MCR, which is the biting constraint for SLPF.

The excess of Eligible Own Funds after deductions over the MCR is £1 million (2022: £8 million), with a ratio of Eligible Own Funds to MCR of 118% (2022: 310%).

SLPF's Own Funds consists entirely of Tier 1 – unrestricted Own Fund items and comprise of ordinary share capital and reconciliation reserve. There are no Tier 1 – restricted, Tier 2 or Tier 3 Own Fund items.

There are no deductions for restricted assets in respect of RFFs, Matching Adjustment portfolios, encumbrances or foreseeable dividends.

E.1.7.2 Basic Own Funds items

The Basic Own Funds total £4 million (2022: £11 million) and comprise ordinary share capital and a reconciliation reserve. Further details regarding each Basic Own Funds item are set out below.

Ordinary share capital

The issued and fully paid ordinary share capital is less than £1 million and is treated as unrestricted Tier 1 Own Funds, as it meets Tier 1 requirements. The Articles of Association of SLPF include the right to cancel and withhold dividends at any time prior to payment.

Reconciliation reserve

The reconciliation reserve is treated as Tier 1 unrestricted Own Funds.

E.1.7.3 Analysis of movement in capital position

SLPF's analysis of significant changes in the capital position during the year, including Own Funds, SCR and Solvency II surplus, predominantly reflect the Part VII transfer of the business of SLPF to PLL.

E.1.7.4 Reconciliation of UK GAAP equity to excess of assets over liabilities

At 31 December 2023 there are no differences between SLPF's equity under UK GAAP and the Solvency II excess of assets over liabilities.

E.1.8 Analysis of solvency position – RAL

The table below summarises the solvency position for RAL as at 31 December 2023. The Own Funds QRT S.23.01.01 is included in Appendix 6.5.

Description	Section reference	31 December 2023 Total £m	31 December 2022 Total £m
Ordinary share capital and share premium	E.1.8.2	**521**	521
Surplus funds	E.1.8.2	**891**	944
Reconciliation reserve (pre-availability restrictions)[1]	E.1.8.2	**1,889**	1,671
Deferred tax assets	E.1.8.2	**–**	97
Excess of assets over liabilities		**3,301**	3,233
Total Basic and Available Own Funds		**3,301**	3,233
Ring Fenced Fund restriction[1]	E.1.8.3	**(629)**	(464)
Eligible Own Funds to meet SCR		**2,672**	2,769
SCR	E.2.1	**(1,342)**	(1,640)
Solvency II surplus		**1,330**	1,129
Ratio of Eligible Own Funds to SCR	E.1.8.1	**199%**	169%
Shareholder capital coverage ratio	E.1.8.1	**215%**	182%
Eligible Own Funds to meet MCR	E.1.8.1	**2,672**	2,672
MCR	E.2.3	**(335)**	(476)
Excess over MCR	E.1.8.1	**2,337**	2,196
Ratio of Eligible Own Funds to MCR	E.1.8.1	**797%**	561%

1 Basic Own Funds do not agree to that presented on the Own Funds QRT due to the different presentation of the availability restrictions in the table above. The reconciliation reserve as shown on Own funds QRT includes the reconciliation reserve (pre availability restrictions) amount of £1,889 million (2022: £1,671 million) and Ring Fenced Fund restriction of £(629) million (2022: £(464) million). Details of non-available own funds are provided in section E.1.8.3.

E.1.8.1 Overview of Solvency position

As at 31 December 2023, the Solvency II surplus over SCR is £1,330 million (2022: £1,129 million), with a ratio of Eligible Own Funds to SCR of 199% (2022: 169%). The excess of Eligible Own Funds after deductions over the MCR is £2,337 million (2022: £2,196 million), with a ratio of Eligible Own Funds to MCR of 797% (2022: 561%).

RAL's Eligible Own Funds after deductions to meet the SCR comprise of ordinary share capital, share premium, surplus funds and reconciliation reserve. This includes TMTP which is included in the calculation of Basic Own Funds as Tier 1 capital.

Excluding the SCR and Own Funds relating to unsupported with-profit funds, the Solvency II shareholder capital coverage ratio is 215% as at 31 December 2023 (2022: 182%).

E.1 Own Funds and analysis of solvency position continued

E.1.8 Analysis of solvency position – RAL continued

E.1.8.2 Basic Own Funds items

The Basic Own Funds before deductions total £3,301 million (2022: £3,233 million) and comprise ordinary share capital, share premium, surplus funds and reconciliation reserve. Further details regarding each Basic Own Funds item are set out below.

Ordinary share capital and share premium

The issued and fully paid ordinary share capital and share premium of £521 million (2022: £521 million) is treated as unrestricted Tier 1 Own Funds, as it meets Tier 1 requirements.

Surplus funds

The Basic Own Funds include surplus funds of £891 million (2022: £944 million) which are classified as Tier 1 unrestricted Own Funds. Further details regarding the Solvency II treatment of surplus funds are set out in section E.1.3.1.

Reconciliation reserve

The reconciliation reserve is treated as Tier 1 unrestricted Own Funds and is primarily made up of the excess of assets over liabilities, reduced by ordinary share capital, share premium, surplus funds and deferred tax assets. The reconciliation reserve may be subject to potential volatility and further details regarding the impact of various sensitivities on the excess of assets over liabilities which forms part of the Own Funds calculation are set out in section C.7.

Deferred tax asset

RAL has no deferred tax assets for 2023 (2022: £97 million).

E.1.8.3 Availability restrictions

As shown in the summary table of RAL's solvency position (see section E.1.8), there is a deduction to Own Funds of £629 million (2022: £464 million) in respect of a RFF restriction. Further details regarding the Solvency II treatment for this restriction are included in section E.1.3.3.

The total excess of assets over liabilities for the RFFs and the Matching Adjustment portfolio are £1,227 million (2022: £1,156 million), and this is restricted by the £629 million (2022: £464 million) RFF restriction. There are no restrictions to the Matching Adjustment portfolio at 31 December 2023 (2022: none).

E.1.8.4 Analysis of movement in capital position

The table below provides an analysis of significant changes in the capital position during the year, including Own Funds, SCR and Solvency II surplus. As they do not contribute to the Solvency II surplus, all movements in Eligible Own Funds and SCR attributable to the unsupported with-profit funds have been presented as a single line in the analysis.

Analysis of movement in solvency position	Note	Eligible Own funds £m	SCR £m	Solvency II surplus £m
Opening position at 1 January 2023		**2,769**	**(1,640)**	**1,129**
Operating surplus generation	1	167	105	272
Methodology & assumptions changes	2	209	(23)	186
Management actions	3	(24)	200	176
Economic and other variances		**(176)**	**(65)**	**(241)**
Economic variances on long-term business	4	18	(44)	(26)
Other variances	5	(194)	(21)	(215)
Intragroup capital flows	6	(192)	–	(192)
Movement in unsupported with-profit funds and pension schemes		(81)	81	–
Closing position at 31 December 2023		**2,672**	**(1,342)**	**1,330**

Note	Item	Information
1	**Operating surplus generation**	Operating surplus generation increased the Solvency II surplus by £272 million. This primarily reflects the run-off of capital requirements and risk margin, partially offset by the amortisation of TMTP.
2	**Methodology & assumptions changes**	The £186 million increase in Solvency II surplus primarily reflects favourable impacts from updating persistency and longevity assumptions as part of demographic and expense assumptions review throughout the year, together with positive impact relating to the change in risk margin calculation as a result of Solvency II Reforms and the removal of the Financial Resources Requirement ('FRR') constraint on TMTP.
3	**Management actions**	Delivery of management actions increased the Solvency II surplus by £176 million. This included the optimisation of longevity risk capital by implementing a longevity swap arrangement and optimisation of the assets within the Matching Adjustment portfolio by trading and continued investment in illiquid assets.
4	**Economic variances**	Economic variances decreased the Solvency II surplus by £(26) million, primarily driven by the change in gilt-swap spreads and equity market during the year and the associated hedging impacts.
5	**Other variances**	Other variances reduced the Solvency II surplus by £(215) million. This was primarily driven by the adverse impact from the Part VII transfer of Irish business into RAL and increased project spend.
6	**Intragroup capital flows**	Intragroup capital flows reduced the Solvency II surplus by £(192) million, reflecting the dividend paid to the parent company.

E.1 Own Funds and analysis of solvency position continued

E.1.8 Analysis of solvency position – RAL continued

E.1.8.5 Reconciliation of UK GAAP equity to excess of assets over liabilities

The table below provides an analysis of the key differences between RAL's net assets under UK GAAP and the excess of assets over liabilities under Solvency II.

Description	Section reference	31 December 2023 £m
Total equity per UK GAAP		**1,287**
Valuation differences:		
Assets decrease:		
Deferred acquisition costs/Intangible assets	D.1.2	**(466)**
Reinsurance recoverables	D.1.2	**(233)**
Deferred tax assets	D.1.3	**(17)**
Total asset valuation differences		**(716)**
Liabilities decrease/(increase):		
Technical provisions	D.2.2	**2,582**
Other technical provisions (unallocated surplus)	D.2.2	**419**
Deferred tax liabilities	D.3.2	**(309)**
Insurance and intermediaries payables	D.3.2	**38**
Total liability valuation differences		**2,730**
Excess of assets over liabilities		**3,301**

E.1.9 Analysis of solvency position – RLL

The table below summarises the solvency position for RLL as at 31 December 2023. The Own Funds QRT S.23.01.01 is included in Appendix 7.4.

Description	Section reference	31 December 2023 Total £m	31 December 2022 Total £m
Ordinary share capital	E.1.9.2	**64**	64
Reconciliation reserve[1]	E.1.9.2	**199**	177
Basic, Available and Eligible Own Funds to meet SCR		**263**	241
SCR	E.2.1	**(18)**	(22)
Solvency II surplus		**245**	219
Ratio of Eligible Own Funds to SCR	E.1.9.1	**1,436%**	1,089%
Shareholder capital coverage ratio	E.1.9.1	**1,436%**	1,089%
Eligible Own Funds to meet MCR	E.1.9.1	**263**	241
MCR	E.2.3	**(8)**	(10)
Excess over MCR	E.1.9.1	**255**	231
Ratio of Eligible Own Funds to MCR	E.1.9.1	**3,191%**	2,420%

1 The reconciliation reserve is the excess of assets over liabilities of £199 million (2022: £177 million) and treated as Tier 1 unrestricted Own Funds

E.1.9.1 Overview of Solvency position

As at 31 December 2023, the Solvency II surplus over the SCR is £245 million (2022: £219 million), with a ratio of Eligible Own Funds to SCR of 1,436% (2022: 1,089%). The excess of Eligible Own Funds after deductions over the MCR is £255 million (2022: £231 million), with a ratio of Eligible Own Funds to MCR of 3,191% (2022: 2,420%).

RLL's Own Funds consists entirely of Tier 1 – unrestricted Own Fund items, and is principally comprised of ordinary share capital and reconciliation reserve. There are no Tier 1 – restricted, Tier 2 or Tier 3 Own Funds.

There are no deductions for restricted assets in respect of RFFs, Matching Adjustment portfolios, encumbrances or foreseeable dividends.

The Solvency II shareholder capital coverage ratio is 1,436% as at 31 December 2023 (2022: 1,089%).

E.1 Own Funds and analysis of solvency position continued

E.1.9 Analysis of solvency position – RLL continued

E.1.9.2 Basic Own Funds items

The Basic Own Funds total £263 million (2022: £241 million) and comprise ordinary share capital and reconciliation reserve. Further details regarding each Basic Own Funds item are set out below.

Ordinary share capital

The issued and fully paid ordinary share capital of £64 million (2022: £64 million) is treated as unrestricted Tier 1 Own Funds, as it meets Tier 1 requirements.

Reconciliation reserve

The reconciliation reserve is treated as Tier 1 unrestricted Own Funds. The reconciliation reserve may be subject to potential volatility and further details regarding the impact of various sensitivities on the excess of assets over liabilities which forms part of the Own Funds calculation are set out in section C.7.

E.1.9.3 Analysis of movement in capital position

Analysis of movement in solvency position	Note	Eligible Own funds £m	SCR £m	Solvency II surplus £m
Opening position at 1 January 2023		**241**	**(22)**	**219**
Operating surplus generation	1	2	–	2
Methodology & assumptions changes	2	2	(1)	1
Economic and other variances		**18**	**5**	**23**
Economic variances on long-term business	3	17	3	20
Other variances	4	1	2	3
Closing position at 31 December 2023		**263**	**(18)**	**245**

Note	Item	Information
1	**Operating surplus generation**	Operating surplus generation increased the Solvency II surplus by £2 million. This primarily reflects the run-off of capital requirements and risk margin.
2	**Methodology & assumptions changes**	Demographic and expense assumptions are reviewed throughout the year and resulted in a net £1 million increase in Solvency II surplus.
3	**Economic variances**	Economic variances increased the Solvency II surplus by £20 million, which was primarily driven by the impact of increased returns on shareholder assets.
4	**Other variances**	Other variances increased the Solvency II surplus by £3 million. This included the change in unit linked box and other small impacts.

E.1.9.4 Reconciliation of UK GAAP equity to excess of assets over liabilities

The table below provides an analysis of the key differences between RLL's net assets under UK GAAP and the excess of assets over liabilities under Solvency II.

Description	Section reference	31 December 2023 £m
Total equity per UK GAAP		**177**
Valuation differences:		
Assets decrease:		
Deferred acquisition costs	D.1.2	**(10)**
Reinsurance recoverables	D.1.2	**(317)**
Total asset valuation differences		**(327)**
Liabilities decrease/(increase):		
Technical provisions	D.2.2	**315**
Deferred tax liabilities	D.3.2	**(10)**
Any other liabilities not elsewhere shown	D.3.2	**108**
Total liability valuation differences		**413**
Excess of assets over liabilities		**263**

E.1 Own Funds and analysis of solvency position continued

E.1.10 Analysis of solvency position – SLOC

The table below summarises the solvency position for SLOC as at 31 December 2023. The Own Funds QRT S.23.01.01 is included in Appendix 8.4.

Description	Section reference	31 December 2023 Total £m	31 December 2022 Total £m
Ordinary share capital and share premium	E.1.10.2	23	23
Surplus funds	E.1.10.2	–	–
Reconciliation reserve (pre-availability restrictions)[1]	E.1.10.2	275	236
Deferred tax assets	E.1.10.2	–	26
Excess of assets over liabilities		298	285
Total Basic and Available Own Funds		298	285
Ring Fenced Fund restriction[1]	E.1.10.2	(1)	(1)
Eligible own funds restriction	E.1.10.2		(2)
Eligible Own Funds to meet SCR		297	282
SCR	E.2.1	(174)	(157)
Solvency II surplus		123	125
Ratio of Eligible Own Funds to SCR	E.1.10.1	170%	179%
Shareholder capital coverage ratio	E.1.10.1	170%	180%
Eligible Own Funds to meet MCR	E.1.10.1	297	258
MCR	E.2.3	(44)	(40)
Excess over MCR	E.1.10.1	253	218
Ratio of Eligible Own Funds to MCR	E.1.10.1	682%	644%

1 Basic Own Funds do not agree to that presented on the Own funds QRT due to the different presentation of the availability restrictions in the table above. The reconciliation reserve as shown on the Own Funds QRT includes the reconciliation reserve (pre-availability restrictions) amount of £275 million (2022: £236 million) and Ring Fenced Fund restriction of £(1) million (2022: £(1) million.

E.1.10.1 Overview of Solvency position

As at 31 December 2023, the Solvency II surplus over the SCR is £123 million (2022: £125 million), with a ratio of Eligible Own Funds to SCR of 170% (2022: 179%). The excess of Eligible Own Funds after deductions over the MCR is £253 million (2022: £218 million), with a ratio of Eligible Own Funds to MCR of 682% (2022: 644%).

SLOC's Own Funds consists of Tier 1 unrestricted and Tier 3 Own Fund items.

Tier 1 – unrestricted Own Fund items are principally comprised of ordinary share capital and reconciliation reserve. Tier 3 Own Fund items comprise deferred tax assets. There are no Tier 1 – restricted or Tier 2 Own Funds.

There are no deductions for restricted assets in respect of RFFs, Matching Adjustment portfolios, encumbrances or foreseeable dividends.

The Solvency II shareholder capital coverage ratio is 170% as at 31 December 2023 (2022: 180%).

E.1.10.2 Basic Own Funds items

The Basic Own Funds total £298 million (2022: £285 million) and comprise ordinary share capital and reconciliation reserve. Further details regarding each Basic Own Funds item are set out below.

Ordinary share capital

The issued and fully paid ordinary share capital of £23 million (2022: £23 million) is treated as unrestricted Tier 1 Own Funds, as it meets Tier 1 requirements.

Reconciliation reserve

The reconciliation reserve is treated as Tier 1 unrestricted Own Funds. The reconciliation reserve may be subject to potential volatility and further details regarding the impact of various sensitivities on the excess of assets over liabilities which forms part of the Own Funds calculation are set out in section C.7.

Deferred tax asset

SLOC has £nil (2022: £26 million) of net deferred tax assets which are classified as Tier 3 Own Funds.

Availability restrictions

As shown in the summary table of SLOC's solvency position (see section E.1.11) there is a deduction to Own Funds of £1 million (2022: £1 million) in respect of an RFF restriction. Further details regarding the Solvency II treatment for this restriction are included in section E.1.3.3.

The total excess of assets over liabilities for the RFFs are £3 million (2022: £2 million), and this is restricted by the £1 million (2022: £1 million) RFF restriction.

In 2022, the net deferred tax asset classified as Tier 3 capital as required by the classification rules and as such limited to 15% of the SCR for the purpose of calculating own funds eligible to cover the SCR, resulted in a Tier 3 restriction of £2 million. There is no such restriction for 2023.

E.1 Own Funds and analysis of solvency position continued

E.1.10 Analysis of solvency position – SLOC continued

E.1.10.3 Analysis of Movement in Capital Position

The table below provides an analysis of significant changes in the capital position during the year, including Own Funds, SCR and Solvency II surplus. As they do not contribute to the Solvency II surplus, all movements in Eligible Own Funds and SCR attributable to the unsupported with-profit funds have been presented as a single line in the analysis.

Analysis of movement in solvency position	Note	Eligible Own funds £m	SCR £m	Solvency II surplus £m
Opening position at 1 January 2023		**282**	**(157)**	**125**
Operating surplus generation	1	13	18	31
Methodology & assumptions changes	2	64	(9)	55
Management actions	3	36	(17)	19
Economic and other variances		**5**	**(9)**	**(4)**
Economic variances on long-term business	4	4	(6)	(2)
Other variances	5	1	(3)	(2)
Intragroup capital flows	6	(103)	–	(103)
Closing position at 31 December 2023		**297**	**(174)**	**123**

Note	Item	Information
1	**Operating surplus generation**	Operating surplus generation increased the Solvency II surplus by £31 million. This primarily reflects run-off of capital requirements and risk margin.
2	**Methodology & assumption changes**	The £55 million increase in Solvency II surplus primarily reflects favourable impacts from updating longevity and expense assumptions as part of demographic and expense assumptions review throughout the year, together with positive impact relating to the change in risk margin calculation as a result of Solvency II Reforms.
3	**Management actions**	Delivery of management actions increased the Solvency II surplus by £19 million which was mainly driven by the sale of equity hedging units, It also included the impacts of the change in parent entity such as the recapture of a reinsurance treaty and termination of and expense indemnity agreement with the former parent, although these largely offset between Own Funds and SCR.
4	**Economic variances**	Offsetting impacts of changes in yields, volatile equity markets and rising inflation gave rise to a £(2) million net change in Solvency II surplus.
5	**Other variances**	Various other impacts contributed to a decrease in Solvency II surplus of £(2) million.
6	**Intragroup capital flows**	Intragroup capital flows reduced the Solvency II surplus by £(103) million, reflecting the dividends paid to the parent company.

E.1 Own Funds and analysis of solvency position continued

E.1.10.4 Reconciliation of IFRS equity to excess of assets over liabilities

The table below provides an analysis of the key differences between SLOC's net assets under IFRS and the excess of assets over liabilities under Solvency II.

Description	Section reference	31 December 2023 £m
Total equity per IFRS		**154**
Valuation differences:		
Assets decrease:		
Deferred acquisition costs	D.1.2	**(1)**
Reinsurance recoverables	D.1.2	**(28)**
Deferred tax assets	D.1.2	**(28)**
Total asset valuation differences		**(57)**
Liabilities decrease:		
Technical provisions	D.2.2	**197**
Provisions other than technical provisions	D.3.2	**2**
Insurance and intermediaries payables	D.3.2	**2**
Total liability valuation differences		**201**
Excess of assets over liabilities		**298**

E.1.11 Analysis of solvency position – PA(GI)

The table below summarises the solvency position for PA(GI) as at 31 December 2023. The Own Funds QRT S.23.01.01 is included in Appendix 9.2.

Description	Section reference	31 December 2023 Total £m	31 December 2022 Total £m
Ordinary share capital		**3**	3
Reconciliation reserve		**25**	–
Basic, Available and Eligible Own Funds to meet SCR		**28**	3
SCR	E.2.1	**(26)**	–
Solvency II surplus		**2**	3
Ratio of Eligible Own Funds to SCR		**111%**	464%
Eligible Own Funds to meet MCR		**28**	3
MCR	E.2.3	**(6)**	(3)
Excess over MCR		**22**	–
Ratio of Eligible Own Funds to MCR		**443%**	109%

As at 31 December 2023, the surplus over the SCR is £2 million (2022: £3 million), with a ratio of Eligible Own Funds to SCR of 111% (2022: 464%). The excess of Eligible Own Funds after deductions over the MCR is £22 million (2022: £nil million), with a ratio of Eligible Own Funds to MCR of 443% (2022: 109%).

PA(GI)'s Own Funds consists entirely of Tier 1 – unrestricted Own Fund items, and is principally comprised of ordinary share capital and reconciliation reserve. There are no Tier 1 – restricted, Tier 2 or Tier 3 Own Fund items.

There are no deductions for restricted assets in respect of RFFs, Matching Adjustment portfolios, encumbrances or foreseeable dividends.

The movements in PA(GI)'s eligible own funds and SCR during the year were driven by the recognition of redress recovery and the associated risk of losing the recovery from third party.

There are no differences between PA(GI)'s equity under IFRS and the excess of assets over liabilities under Solvency II.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 Solvency capital requirement

The Group and insurance subsidiaries' SCR as at 31 December 2023 is presented in the tables below.

Analysis of SCR – 31 December 2023	PLL[1] £m	PA(GI) £m	Other Group Entities that use Internal Model £m	Group Internal Model adjustments £m	PGH Group harmonised Internal Model £m
Underwriting risk (i.e. Insurance risk)[2]	2,594	–	12	3	2,609
Market risk	1,858	–	691	(621)	1,928
Credit risk	2,942	–	35	(28)	2,949
Operational risk	1,048	26	26	(26)	1,074
Other risks	–	–	100	40	140
Total undiversified SCR	8,442	26	864	(632)	8,700
Diversification benefits[3]	(2,713)	–	(450)	188	(2,975)
Management actions	(61)	–	–	–	(61)
LACDT	(969)	–	–	94	(875)
End-piece adjustments	423	–	(20)	(96)	307
Total SCR	5,122	26	394	(446)	5,096

Analysis of SCR – 31 December 2023	RAL[4] £m	RLL £m	SLOC £m	SLIDAC £m	PRL £m	Other Group Entities that use Standard Formula £m	Group Standard Formula adjustments £m	PGH Group Standard Formula £m	PGH Group Partial Harmonised Internal Model £m
Underwriting risk (i.e. Insurance risk)[2]	992	–	128	193	2	248	–	1,563	4,172
Market risk	490	4	41	133	9	24	(195)	506	2,434
Credit risk	591	13	24	69		(38)	(13)	646	3,595
Operational risk	111	7	20	40	2	22	(7)	195	1,269
Other risks	–	–	–	–	–	–	–	–	140
Total undiversified SCR	2,184	24	213	435	13	256	(215)	2,910	11,610
Diversification benefits[3]	(537)	(4)	(39)	(103)	(3)	(39)	228	(497)	(3472)
Management actions	–	–	–	–	–	–	–	–	(61)
LACDT	(305)	(2)	–	–	–	39	3	(265)	(1,140)
End-piece adjustments	–	–	–	–	–	(34)	–	(34)	273
Total SCR	1,342	18	174	332	10	222	16	2,114	7,210

1 PLL SCR reflects SCR in respect of its own direct risk exposures, but also in respect of a look through to its participation in PUTM. PUTM is a UCITS management company and under the regulations, its SCR has been determined in accordance with the relevant sectoral rules.

2 Underwriting risk includes diversification within the Underwriting risk category (i.e. diversification between longevity risk, mortality risk, expense risk, etc.).

3 Diversification benefits cover the residual diversification between the risk categories of Underwriting risk, Market risk, Credit risk, etc.

4 RAL SCR reflects SCR in respect of its own direct risk exposures, but also in respect of a look through to its participation in PLAE.

Each of the risk categories included within the total undiversified SCR have been described in further detail in sections C1 to C6.

Diversification arises when the adverse outcome from one risk can be offset by a more favourable outcome from another risk, where those risks are not perfectly correlated. Diversification benefits are determined using a full risk distribution.

The effect of management actions recognised within the SCR primarily relate to the with-profit funds. Such actions include reducing reversionary and terminal bonus rates, removing past conditional estate distributions, and increasing asset share/guarantee charges under stressed conditions. The management actions assumed for each fund are consistent with the fund's PPFM.

The Group SCR has also been reduced by £1,140 million for the loss-absorbing capacity of deferred taxes ('LACDT'). The LACDT adjustment represents the change in value of deferred tax assets and liabilities following a 1:200 one-year stress event consistent with the overall SCR assessment. The LACDT for the Group and the Life insurance subsidiaries is expected to be available through a reduction in the value of deferred tax liabilities predominantly in relation to future profits to emerge from unit-linked business, non-linked business and transfers from with-profit funds.

End-piece adjustments represent a range of adjustments which are applied to the post-diversified SCR when aggregating to the PGH Group level.

The final SCR is still subject to supervisory assessment. There are no capital add-ons and the Group has not applied to use undertaking specific parameters when calculating the Standard Formula SCR for entities which are outside of the scope of the Internal Model. PLAL, SLAL and SLPF are included within the Group's approved Internal Model, however, following the funds merger the SCR for these entities is £nil and therefore they are not presented in the table above. Consequently QRT 25.03.21 is not included within Appendix 3, 4 and 5.

E.2 Solvency Capital Requirement and Minimum Capital Requirement continued

E.2.2 Changes in SCR

An explanation of the drivers of material changes to the SCR are set out in section E.1.3.

E.2.3 Minimum Consolidated Group SCR

In accordance with the regulations, the MGSCR is defined as the sum of the MCR for all the insurance subsidiaries consolidated into the Group under Method 1.

The MCR for each insurance subsidiary is calculated according to a formula prescribed by the regulations and is subject to a floor of 25% of the SCR or EUR 4 million, whichever is higher, and a cap of 45% of the SCR. The MCR formula is based on factors applied to the technical provisions and capital at risk as at 31 December 2023.

The components of the overall calculation of the MCR as at 31 December 2023 are:

Calculation of MCR – 31 December 2023	PLL £m	PLAL £m	SLAL £m	SLPF £m	RAL £m	RLL £m	SLOC £m	PA(GI) £m	SLIDAC £m	PLAE £m	PRL £m	PGH £m
MCR before the application of floors and caps	1,691	–	–	–	309	39	41	–	105	–	–	
MCR cap (45% of SCR)	2,305	–	–	–	604	8	78	11	150	24	11	
MCR floor (higher of 25% of SCR or EUR 4 million)	1,280	3	3	3	335	5	44	6	83	13	6	
MCR (post application of floors and caps)	1,691	3	3	3	335	8	44	6	105	13	9	2,220

The changes in MCR during the reporting period are set out below:

Analysis of change in MCR	PLL £m	PLAL £m	SLAL £m	SLPF £m	RAL £m	RLL £m	SLOC £m	PA(GI) £m	SLIDAC £m	PLAE £m	PRL £m	PGH £m
1 January 2023	569	167	952	3	476	10	–	3	102	–	–	2,282
31 December 2023	1,691	3	3	3	335	8	44	6	105	13	9	2,220
Movement in MCR	**1,122**	**(164)**	**(949)**	**–**	**(141)**	**(2)**	**44**	**3**	**3**	**13**	**9**	**(62)**

E.3 Use of the duration-based equity risk sub-module in the calculation of the solvency capital requirement

The Group nor any of the Life Companies that utilise the Standard Formula use the duration-based equity risk sub-module in the calculation of the SCR.

Capital management continued

E.4 Differences between the Standard Formula and any Internal Model used

This section outlines the purpose of the Internal Model, its scope, methodology and assumptions, key differences between Standard Formula and Internal Model, and the nature and appropriateness of data used.

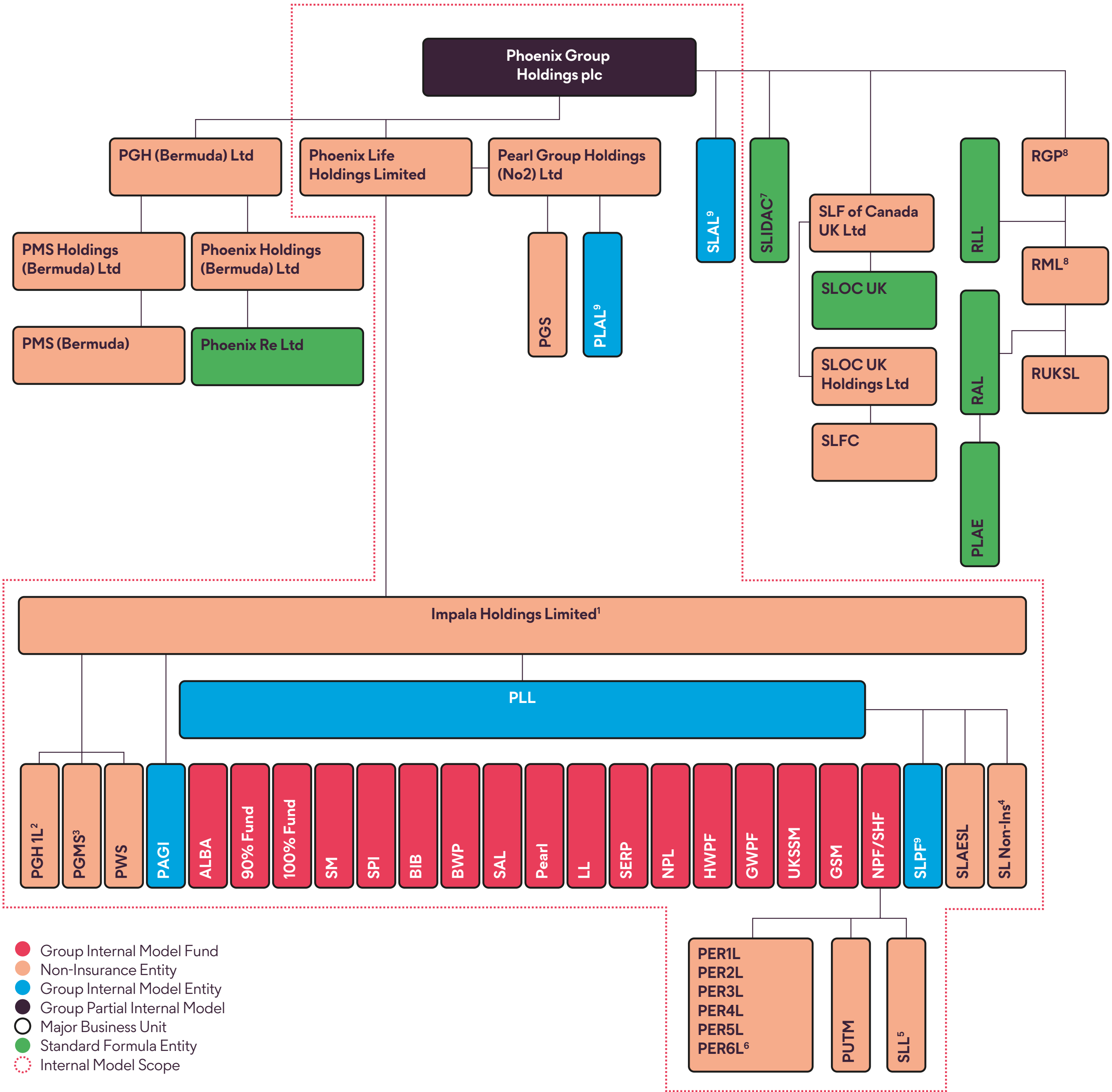
E.4.1 Scope of internal model

Coverage

The Group operates a single Partial Internal model, with the Internal Model, covering all entities of the Group except the ReAssure entities, Sun Life UK entities, SLIDAC, PLAE and the Bermudan entities, which report their contribution to group solvency on the Standard Formula.

A harmonisation programme to bring some of these companies into the scope of the Group's Internal Model will take place in due course.

The diagram below sets out a simplified view of the current Group structure, which details the entities and funds within the scope of the Internal Model as at 31 December 2023.



1. PeLHL (not shown) is the sponsor of the Pearl pension scheme and the ALAC pension scheme. It is a subsidiary of Impala Holdings Ltd/parent of PLL, PA GI and PWS
2. PGH1L is the sponsoring employer of the PGL pension scheme
3. PGMS is the sponsoring employer of the Irish pension scheme
4. SL Non-Ins currently consists of 4 separate non-insurance entities that were previously subsidiaries of the SLAL business
5. SLL provides distribution services for Sun Life products
6. Subsidiaries of PLL used for ERM restructuring
7. SLIDAC reports as a PIM at entity level, but is aggregated with the Group as a standard formula entity
8. RGP is assessed under SF, RML is the sponsoring employer of the ReAssure pension scheme
9. Minimum Capital Requirement held following the Part VII

E.4 Differences between the Standard Formula and any Internal Model used continued

E.4.1 Scope of internal model continued

Risk categories

A key element of the Group's risk strategy is to ensure that the Group has a robust understanding of the risks it faces. This is achieved through regular monitoring and reporting of risks. Further details are included in section B.3.

All key risks (i.e. those prescribed under the Standard Formula or the risks specific to the insurance subsidiaries and Group as defined under the Group's Internal Model) in the risk universe are within the scope of the Phoenix Group Partial Internal Model.

Capital is held against all risks within the risk universe, unless:

- the risk is one that would not be expected to impact Own Funds;
- exposure to the risk is not significant;
- there is a dedicated risk management process in place to ensure that the risk exposure remains immaterial or is unlikely to arise at all; or
- the risk is not quantifiable and is more appropriately managed using other techniques.

Justification for not holding capital for any risks within the risk universe is documented and approved by senior management. This position is re-assessed on a regular cycle or sooner if specified trigger events have occurred.

E.4.2 Uses of the internal model

The Phoenix Group Partial Internal Model is widely used in and plays an important role in the system of governance (in particular, the risk management system), decision-making, solvency capital assessment and allocation of capital throughout the Group.

Internal Model outputs (principally the balance sheet and stress and scenario analysis) are used to inform decisions which impact the risk profile or capital requirements.

Setting risk appetite

As outlined in section B.3, the Group sets its risk appetite to manage risks, and this is reviewed annually. Risk appetite establishes the boundaries within which the Group is willing to operate, and the amount of risk that it wishes to accept.

The risk appetite statement is regularly reviewed through scenario analysis which covers a range of material risks from the risk universe. Results are regularly presented to the Life and Group Boards.

Informing risk reporting

The Group's risk reporting framework summarises the risk profile of the Group and is regularly presented to management committees and the Boards. Each report is structured around the risk universe and summarises key risk management information, including the risk appetite dashboard and a breakdown of risk capital by individual risk categories.

Setting capital management policy

Capital management policies are set by the Group and each regulated Life Company, in order to provide an additional level of solvency protection over the SCR. Capital policies are set by reference to risk appetite scenarios and reviewed annually.

Decision-making in respect of Group funding

Outputs from the Internal Model are used as the basis for recommendations regarding the release of cash from the Life Companies, for payment of dividends to shareholders or to meet other obligations within the Group.

Informing decisions on significant projects and strategic activity

When determining the viability of a project (for example, a funds merger or acquisition) or a change in strategy, the impacts on financial metrics utilising outputs from the Internal Model will be a key consideration.

Establishing the Annual Operating Plan ('AOP')

The AOP is used to review the expected financial performance of the Group and to ensure it remains aligned with the overall strategy and risk appetite. This involves the production of financial projections using a central set of assumptions. Stress and scenario testing is completed in line with the Group's Risk Appetite Framework. Further details on stress and scenario testing are included in section C.

Setting investment strategy

Outputs from the Internal Model are used for setting investment strategy. The investment of assets is a core activity that allows the Group to enhance value and meet policyholder expectations. The Group generates value through investing in a range of asset classes. Policies are in place that set out the strategy to be followed to manage the various investment risks.

Setting assumptions

Assumptions are required to be set for the Group's modelled risks. These assumptions are derived from a range of sources, which include Internal Model outputs, experience analysis, industry benchmarking and expert judgement. Setting of assumptions is subject to extensive governance review and sign-off.

New Business Pricing

Internal Model outputs are used in new business pricing which includes vesting annuities, Bulk Purchase Annuities, SunLife protection business and pensions new business, arising in SLAL until 27 October 2023 and subsequently in PLL.

Other uses

In addition to the above uses, Internal Model outputs are also used for external reporting, tax planning and setting the Group's remuneration policy.

E.4.3 Partial internal model

The Group SCR is determined on a Partial Internal Model basis as it is a combination of Internal Model and Standard Formula components.

The aggregation approach involves summing the SCR for the Standard Formula and Internal Model components, without allowing for any diversification between these two components.

E.4.4 Internal model stress calibration

Overview

The Group has adopted a simulation-based method to calculating the SCR known as the Full Risk Distribution ('FRD') approach. A simulation approach derives a probability distribution forecast using potential profits and losses which arise within a business under a range of real world scenarios. As the number of scenarios increases, the results converge to the distribution being modelled.

The methodology for determining the SCR has the following key stages:

1. Determine the marginal probability distribution function ('PDF') for each individual risk. The majority of market and credit risks are assessed and calibrated through Phoenix's market calibration model. In this case, full marginal forecasts will be produced by fitting statistical distributions based on analyses of empirical data. For insurance risks, where there is not the same richness of empirical data, calibrations at specific percentiles are considered based on a combination of expert judgement and available data. The marginal PDF therefore also needs to be based on expert judgement, with validation of the level of stress at key points on the PDF where appropriate.

2. Using proxy models, determine loss functions for each risk, which attach a profit or loss to changes in the risk factor at each probability level. Proxy models are used for this purpose in place of heavy model runs due to the very large volume of simulations conducted. Loss functions will also capture interactions with other risks.

E.4 Differences between the Standard Formula and any Internal Model used continued

E.4.4 Internal model stress calibration continued

3. Simulate up to 2 million real world scenarios. In each scenario, all of the individual risks are stressed. The dependency structure component of the simulation based approach effectively joins the individual risk (i.e. marginal risk distributions) to create the joint distribution. The Internal Model uses the Gaussian copula to define the dependency structure.
4. Evaluate profits and losses for each scenario at a fund level (or lower level of granularity).
5. Aggregate profits and losses to an entity and/or Group level.
6. Rank the entity and/or Group profits and losses and determine the 99.5th percentile loss for the SCR. The actual scenario for the SCR can vary significantly from scenario to scenario, but a "smoothed view" is obtained by averaging scenarios which bracket the 99.5th percentile loss. The more stable view is referred to as the Representative Scenario.
7. Allocate the resulting entity/Group level SCR (which includes diversification) to the underlying entities, funds and risks in order to inform management of the business and reporting requirements.
8. Adjustments may then need to be made to the SCR results for: the application of non-dynamic management actions, i.e. those management actions not already reflected in the proxy models thus far and that would be taken under adverse scenarios; LACDT; and any other adjustments that are not reflected via the proxy models.

E.4.5 Methodology and assumption differences between standard formula and internal model

This section includes an explanation of the main differences in methodologies and underlying assumptions used in the Standard Formula and Internal Model SCR.

E.4.5.1 Structural model differences

The structure of the Standard Formula and Internal Model methodology are similar in that for each univariate risk the stressed value of assets and liabilities is compared with the unstressed value of assets and liabilities to determine the univariate SCR. Univariate risk capital amounts are then aggregated to produce an overall SCR.

However, under the Standard Formula, univariate stress tests are aggregated using a correlation matrix rather than modelling the full risk distribution.

E.4.5.2. Differences in the nature of risks considered and application of the stress

The main difference between the assessment of risks under the Internal Model and Standard Formula is that the Internal Model assessment is based on risks relevant to the Group rather than prescribed stresses under the Standard Formula.

The key differences in the risks considered and the stresses applied in the Internal Model are set out below.

It should be noted that where the application (or "form") of the Internal Model and Standard Formula stresses are the same, the quantum of the stress calibration may still differ.

Market risk

Equity Risk – the Internal Model considers the most onerous impact of an upwards and downwards movement in equity values. Changes to the level of implied equity volatility are also considered, together with the impact of equity basis risk on risk mitigating instruments. The Standard Formula considers a fall to equity values that is varied (via the equity dampener) to reflect market conditions at the valuation date.

Interest rate risk – the Internal Model considers a range of upward and downward shifts and twists in the yield curve. The Standard Formula applies a single upward stress and a single downward stress. The Internal Model also considers changes to the level of implied interest rate volatility.

Swap spread risk – the Internal Model considers the impact of a movement in gilt yields relative to swap yields (and also the movement in other AAA sovereign/supranational bond yields relative to swaps). This risk is not considered under the Standard Formula.

Currency risk – the Internal Model considers up and down movements in different currencies independently, the Standard Formula assumes the currency movements are perfectly correlated. The Internal Model also considers movements in swap rates across different currencies. Both the currency stresses and the swap margin stress are then correlated.

Commercial Property risk – the Internal Model considers both upward and downward movements in property values, while the Standard Formula only considers falls. The Internal Model also considers changes in the level of implied property volatility.

Residential Property risk – the expected cashflows from the underlying equity release mortgages ('ERM') are restructured in a special purpose vehicle to produce Matching Adjustment eligible 'ERM loan notes'. The Internal Model looks through to the potential risks impacting the underlying ERM assets, and assesses the impact on the value of the ERM loan notes. These risks include a fall in property values, a rise in property volatility, prepayment risk, longevity risk, morbidity risk and interest rate risk. Under the Standard Formula, ERM loan notes would be treated as a type 2 securitisation and stressed in the credit spread stress.

Alternative asset risk – the Internal Model considers the deterioration to the capital position as a result of changes in the level or volatility of alternative asset values. The risk exposure and stresses for each alternative asset is determined by looking through to the underlying investments. Alternative assets include hedge funds, absolute return funds, collateralised debt obligations and leveraged loans. The risk of fraud within hedge funds is also explicitly considered. Under the Standard Formula, alternative investments are considered as part of the equity stress.

Inflation risk – for the Internal Model, a shift and a twist in the inflation curve is considered. Inflation volatility is also stressed. A further additive stress is applied to the gap between RPI and CPI. Under the Standard Formula, inflation risk is captured in the interest rate risk stress and inflation volatility risk is not captured.

Concentration risk – no explicit concentration risk capital is held under the Internal Model. Instead, concentration risk is allowed for implicitly within other risk modules, via the assumption setting process. The Standard Formula assesses concentration risk as a separate risk driver.

Credit risk

Market credit spread risk – the Internal Model considers both a widening and narrowing of credit spreads to corporate bond type assets. The Standard Formula considers a widening of credit spreads for corporate bond type assets, together with a separate stress applied to securitisations, and a bi-directional stress for credit derivatives.

Counterparty default risk –the Internal Model considers the increase in risk margin from a reinsurance default event. Outsourcer default risk is a bespoke calculation under the Internal Model which is not included in the Standard Formula.

Insurance risk

Mortality / catastrophe risk – the Internal Model mortality stress includes a trend element, while the Standard Formula stress does not. The Internal Model application of all other aspects of the stresses is the same as the Standard Formula (although as stated above, the calibration may differ).

Morbidity / disability risk – the Internal Model applies a flat rate stress to all business. The Standard Formula approach to morbidity risk considers a term dependent stress.

E.4 Differences between the Standard Formula and any Internal Model used continued

E.4.5 Methodology and assumption differences between standard formula and internal model continued

E.4.5.2. Differences in the nature of risks considered and application of the stress continued

Longevity risk – the Internal Model performs two separate stresses covering changes in base table mortality and future longevity improvements. The Standard Formula does not apply a longevity improvements stress, and longevity stresses are not applied to the staff pension schemes under the Standard Formula.

Proportion Married – the Internal Model makes allowance for increases in the proportion married assumption where relevant. There is no allowance for proportion married risk in Standard Formula.

Lapse risk – the Standard Formula considers the most onerous of an increase in lapse rates, a decrease in lapse rates and a mass lapse scenario. The Internal Model considers three separate persistency risk factors:

1. Dependent persistency – the risk of a major shock to persistency experience as a result of events initiated in the next 12 months.
2. Independent persistency – the risk the current best estimate assumption is inappropriate and the risk of fluctuations around the best estimate assumptions where these factors are unlikely to be materially influenced by economic factors.
3. Financial guarantee persistency risk – the risk the current best estimate assumption is inappropriate and the risk of fluctuations around the best estimate assumptions where these factors are likely to be materially influenced by economic factors. This risk factor primarily relates to the risk of policyholders staying and exercising their guarantees /options where valuable long term financial guarantees are present.

Expense risk – the Standard Formula stress reflects an immediate increase in expenses, together with an increase to expense inflation. The Internal Model stress reflects an immediate increase in expenses, together with a Service Company stress. This stress covers the risk that the Service Companies cannot fulfil their obligations based on the current charges they receive from the Life Companies and the Life Companies incur additional expenses as a result.

New business pricing risk – under the Internal Model allowance is made for new business pricing risk. Allowance for new business risk is not required under the Standard Formula.

ERM prepayment risk – under the Internal Model, Voluntary Early Repayment ("VER" or "prepayment") risk is the risk that ERMs are redeemed at different rates than assumed potentially resulting in reduced revenue and /or financial losses. This VER risk is distinct from the allowance made for ERM prepayment under Market Risk, which covers instead changes in prepayment rates as a result of interest rate movements. There is no equivalent VER stress applied to ERMs under the Standard Formula.

Financial Soundness risk

Tax risk – the Internal Model considers the risk of an increase in tax rates or challenges from HMRC in respect of previously submitted tax returns. This risk is not covered under the Standard Formula.

Operational Risk

Operational risk – under the Internal Model, a range of operational risks are assessed using a frequency-severity approach, and combined using a Gaussian copula that uses a 2-tier correlation matrix as an input. The Standard Formula uses a formulaic approach.

Strategic Risk

Strategic risk encompasses the risks arising from a sub-optimal business strategy or sub-optimal implementation of the strategy. Under the Internal Model, risk capital is held to cover the costs which could be incurred if some investment management agreements are dissolved. No equivalent stress is required under the Standard Formula.

E.4.5.3 Other methodology and assumption differences

A number of other differences exist between the Internal Model and Standard Formula. The key differences are explained below.

Aggregation

Internal Model

As highlighted in section E.4.5.1 above, the Internal Model aggregation approach is based on a full risk distribution rather than correlation matrices used in the Standard Formula.

The Internal Model uses a simulation based approach to aggregate risk capital requirements in the calculation of the SCR. The dependency structure component of the simulation based approach effectively joins the individual marginal risk distributions to create the joint distribution. The Internal Model uses the Gaussian copula to define the dependency structure. The Gaussian copula is parameterised using a pairwise correlation matrix.

Loss functions define how the value of basic own funds moves when subjected to one or more risk factor changes. Non-linear interactions between losses are allowed for via non-linear terms within the loss functions. Therefore non-linearity of risks is captured within each of the simulations. Interactions between risks are allowed for via cross terms within the loss functions.

Under the FRD approach, the directionality of risks is reflected in the generation of the real world scenarios, taking into account the marginal risk distributions and joint dependency structure.

The Internal Model permits diversification between Matching Adjustment portfolios, shareholder-supported with-profits funds and pension schemes and other non-ring-fenced funds and entities. No diversification is allowed with self-supporting with-profits funds and pension schemes. The Standard Formula does not allow any diversification with ring fenced funds (whether or not they are shareholder-supported) or Matching Adjustment portfolios.

Standard Formula

The SCR for the Standard Formula entities of the Group is aggregated using a correlation matrix approach, and then added to the rest of the Group without allowing for any diversification between Standard Formula and Internal Model entities.

Management actions

For the Group, management actions primarily apply to with-profit funds. The management actions available for use in the calculation of the SCR for each with-profit fund are consistent with those actions set out in the funds' PPFM.

The SCR for a with-profit fund allows for 'dynamic' management actions and additionally may allow for 'non-dynamic' management actions.

Dynamic management actions reflect those actions that form part of normal working practice, for example, varying annual and final bonus rates in the calculation of base and stressed technical provisions.

Non-dynamic management actions are additional actions that are not considered part of normal day-to-day working practice, for example, removal of past conditional estate distributions, removing future smoothing or increased asset share/guarantee charges.

Under the Group's Internal Model, allowance is made for non-dynamic actions within each simulation if they are available. Non-dynamic management actions are only taken in the SCR to the extent required to restore surplus funds to zero. Apart from removal of conditional estate distributions, management actions are restricted so that no credit is taken against non-chargeable risks events. Certain BPAs are temporarily being held in the non-Matching portfolio. In the event of reinsurer default there is a management action to transfer those BPAs and recovered reinsurance assets into the Matching Adjustment portfolio, thereby resulting in a lower loss on default.

E.4 Differences between the Standard Formula and any Internal Model used continued

E.4.5 Methodology and assumption differences between standard formula and internal model continued

E.4.5.3 Other methodology and assumption differences continued

The Standard Formula approach to management actions involves calculating two different measures, the net Basic SCR ('nBSCR') and gross Basic SCR ('BSCR'). No allowance for management actions is made in the BSCR. In the nBSCR, dynamic management actions are allowed for in each univariate stress. Non-dynamic management actions can then subsequently be used in each univariate stress to offset the part of the SCR caused by a negative estate. The difference between the BSCR and nBSCR is used to derive the Loss Absorbing Capacity of Technical Provisions ('LACTP').

Risk mitigating techniques

Risk mitigating techniques represent arrangements that have been entered into by the Group with the aim of transferring part or all of the risk associated with a particular element of the business. These techniques aim to mitigate against:

- market /credit risks – through the use of instruments such as derivatives; and
- underwriting risks – through the use of reinsurance arrangements.

These arrangements introduce additional default risk in relation to the arrangement counterparty(s). This risk is managed in many cases through the use of collateral arrangements.

Under Solvency II, there are strict criteria that must be met in order for an instrument to qualify as risk mitigating. Differences between the Internal Model and Standard Formula methodology are summarised below.

Risk mitigation criteria – the Standard Formula rules specify a strict list of criteria that must be met in order to allow a risk mitigation benefit. Internal Model requirements are less prescriptive, but broadly consistent with the Standard Formula (with the exception of basis risk).

Basis risk – only risk mitigating instruments with no (or immaterial) basis risk provide a capital benefit under the Standard Formula SCR. Internal Model basis risk is captured through reductions in the effectiveness of the risk mitigating instrument under the relevant stressed conditions. This is achieved by allowing for only a proportion of the change in the movement of the risk mitigating instrument under stressed conditions.

Financial risk mitigation – under the Standard Formula, where the instrument is fully risk mitigating, both the risk mitigating instrument and the asset/liability being hedged will not be stressed. Where the instrument is not fully risk mitigating, the risk mitigating instrument and the asset/liability being hedged will be stressed in tandem, provided that the instrument is not subject to material basis risk. If the instrument is subject to material basis risk, then no capital benefit will be recognised for the instrument under stress. Under the Internal Model, the risk mitigating instrument and the asset/liability being hedged are stressed in tandem, with an allowance for any basis risk.

Insurance risk mitigation – under the Standard Formula, reinsurance arrangements are treated as fully risk mitigating while the counterparty to a reinsurance contract continues to comply with its SCR and MCR. If reinsurance arrangements are fully risk mitigating, then the value of the reinsurance asset will be re-valued under each stress in line with the reinsured liabilities. If the arrangement is partially risk mitigating, the reinsurance asset will be re-valued under each stress to the extent that the associated (stressed) collateral covers the risk exposure. When a counterparty to the reinsurance contract ceases to comply with its MCR, or to comply with its SCR after a period of 6 months has elapsed, the arrangement is not risk mitigating and the reinsurance asset is not stressed, but the reinsured liabilities will be stressed. The Internal Model approach takes the full risk mitigation benefit, as Phoenix considers all of its reinsurance arrangements to be fully risk mitigating subject to allowance for counterparty default risk.

Counterparty default risk on risk mitigating instruments – under the Standard Formula, counterparties are classified into Type 1 and Type 2 exposures. An exposure is Type 1 if credit rating and diversification criteria are met. Other exposures are Type 2. The risk capital calculation is prescribed for Type 1 and Type 2. The calculation allows for loss, probability of loss (based on credit worthiness), recoverability and risk mitigation. Type 1 and Type 2 risk capital are aggregated using a correlation factor of 0.75 to produce the overall counterparty default risk SCR. Internal arrangements are not considered (e.g. fund-to-fund arrangements at an Entity level or Entity-Entity arrangements at a Group level). Outsourcer arrangements are not included in the Standard Formula because they are not classified as risk mitigating under this basis. In the Internal Model reinsurance and derivative arrangements are subject to separate counterparty default stresses. For reinsurance arrangements the counterparty default risk recognises that an increase in the risk margin would result from default of the counterparty as the ceded liabilities are recaptured. This is also consistent with calculation of the counterparty default adjustment. For derivatives risk capital is only recognised for bi-lateral arrangements not subject to central clearing as default risk for exchange traded/centrally cleared derivatives is considered beyond a 1:200 event.

Internal loans

The Standard Formula stresses Group loans according to the credit spread and interest rate risk modules. The impact on each individual risk module is eliminated when aggregating the SCR to Group level, before correlating with other risks.

Under the Internal Model, counterparty credit risk capital is held in respect of intra-group loans, with the lending entity holding SCR against the risk of default. Upon Group consolidation, the counterparty credit risk capital requirement is zeroised, such that intra-group loans make nil net contribution to the Group SCR.

Intra-group insurance and reinsurance

Under the Standard Formula, intra-group insurance or reinsurance transactions involving RFFs or Matching Adjustment portfolios are not eliminated when consolidating to Group level. All other intra-group insurance and reinsurance arrangements are eliminated when calculating the Group SCR.

Under the Internal Model, for reinsurance between Life Companies (or funds of Life Companies), Own Funds and SCR are calculated assuming that the company which accepts the reinsurance retains the associated assets and liabilities. No SCR is held by the ceding company in relation to the risks reinsured. For insurance between a Group defined benefit pension scheme and a life company, the insurance is eliminated for the Group consolidation of Own Funds and SCR.

Other residual related undertakings ('ORRUs')

The Standard Formula treats ORRU's as strategic participations and applies a capital charge which does not diversify against any other Group undertakings. The Internal Model assessment looks through to the underlying risks and allows diversification with the rest of the Group.

E.4.6 Risk measures and time periods used in the internal model

The risk measures and time periods used in the Internal Model are in line with those set out by the regulations, i.e. the SCR is assessed by considering the capital resources required to ensure that the Own Funds are sufficient to meet a stress event calibrated to a 99.5% confidence level over a one-year period. In practice, stress events are assumed to occur instantaneously rather than over a one-year period.

E.4 Differences between the Standard Formula and any Internal Model used continued

E.4.7 Nature and appropriateness of data

A range of information is used within the Internal Model; this includes the relevant market data (both current for the valuation date, and the historic data to calibrate stresses), and internal policyholder data used to calculate our liabilities as well as historic policyholder experience to calibrate our underwriting risk stresses. The sources used in each instance have been chosen considering the range of options available and the appropriateness of the data sets for the purpose for which they are used. Where external data is used, this is sourced from reputable suppliers (e.g. Office for National Statistics, Bank of England, and Continuous Mortality Investigation). The Group also has an internal data governance framework, which sets the standard to which the data used must meet, and is used as a means to escalate any issues appropriately.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

The Group, and each of its insurance subsidiaries held Own Funds in excess of both the SCR and MCR throughout the reporting period and therefore fully complied with capital requirements.

As part of the Group's RMF, various controls are in place to ensure continuing compliance with capital requirements. These include:

- holding a capital buffer (i.e. 'Capital Policy') above the SCR to provide resilience under a range of stress conditions. The amount of the capital buffer is set and monitored by the PGH plc and insurance subsidiary Boards and reflects the risk profile and financial strength of the Group and individual insurance subsidiaries. In situations where the capital buffer is breached, the Boards are obliged to identify remedial actions to restore the excess assets to the required buffer in a timely manner. To this end, the Boards, no less frequently than annually, approve thresholds that would trigger the remedial actions. These thresholds are calculated both including and excluding any potential recalculation of the TMTP;
- monitoring solvency on a monthly basis, with results reported to senior management, management committees and boards;
- projecting solvency positions on a semi-annual basis (with monthly updates projecting to the end of the calendar year), so as to provide an early view of potential capital shortfalls; and
- subjecting the solvency positions of the Group and its insurance subsidiaries to Reverse Stress Testing ('RST') at least annually. The RST exercise provides an assessment of policyholder security by testing the combined strength of the funds available to each insurance subsidiary and the Group to enable regulatory capital requirements under stress conditions to be met.

E.6 Any other information

There is no further material information to be disclosed regarding the Group and insurance subsidiaries' Own Funds and SCR.

In this section

Appendix and additional information

ALTERNATIVE PERFORMANCE MEASURE ('APM')	A measure of historic or future financial performance, financial position or cash flows, other than a financial measure defined under IFRS or under Solvency II regulations. The Group uses a range of such metrics to provide a better understanding of the underlying performance of the Group.
ANNUAL OPERATING PLAN ('AOP')	The Group's five-year strategic plan approved by the Board.
ANNUITY	A policy that pays regular benefit amounts, either immediately and for the remainder of a policyholder's lifetime (immediate annuity), or deferred to commence at some future date (deferred annuity).
ASSET LIABILITY MANAGEMENT ('ALM')	Management of mismatches between assets and liabilities within risk appetite.
ASSET MANAGEMENT	Investment of assets using a structured approach to guide the act of acquiring and disposing of assets, with the objective of meeting defined investment goals and maximising value for investors, including policyholders.
BEST ESTIMATE LIABILITY ('BEL')	The probability weighted average of future cash flows, taking into account the time value of money (expected present value of future cash flows), using the relevant interest rate term structure and taking into account economic and non-economic assumptions.
BULK PURCHASE ANNUITIES ('BPA')	A bulk annuity is an insurance policy that is purchased by pension scheme trustees to better secure members' benefits by removing investment, inflation and longevity risk associated with defined benefit pension schemes.
CLOSED LIFE FUND	A fund that no longer accepts new business. The fund continues to be managed for the existing policyholders.
DEFINED BENEFIT PENSION	A pension that defines the retirement benefits receivable by the member of a pension scheme irrespective of contributions paid or investment gains.
DEFINED CONTRIBUTION PENSION	A pension whereby the retirement benefits receivable will depend on the amount and frequency of contributions paid into the pension scheme, the investment gains on those contributions and the annuity rates at the time of retirement. The exact pension valuation will not be known until the point of retirement.
ECONOMIC ASSUMPTIONS	Assumptions related to future interest rates, inflation, market value movements and tax.
EIOPA	European Insurance and Occupational Pensions Authority.
EQUITY RELEASE MORTGAGE ('ERM')	An equity release mortgage product enables a home-owner aged over 55 to draw a lump sum or regular smaller sums from the value of the home whilst continuing to occupy the home.
FAIR VALUE	The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
FINANCIAL CONDUCT AUTHORITY ('FCA')	The body responsible for supervising the conduct of all financial services firms and for the prudential regulation of those financial services firms not supervised by the Prudential Regulation Authority ('PRA'), such as asset managers and independent financial advisers.
FREE SURPLUS	The amount of capital held in life companies in excess of that needed to support their regulatory Solvency Capital Requirement, plus the capital required under the Board approved capital management policy.
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ('GAAP')	A common set of accounting principles, standards and procedures that companies must follow when they compile their financial statements.
INCREMENTAL NEW BUSINESS LONG-TERM CASH GENERATION ('LTCG')	Represents the increase in the expected future operating companies' cash generation to arise as a result of new business transacted in a period. It is stated on an undiscounted basis.
IN-FORCE	Long-term business written before the period end and which has not terminated before the period end.
INTERNATIONAL FINANCIAL REPORTING STANDARDS ('IFRS')	Accounting standards, interpretations and the framework adopted by the International Accounting Standards Board ('IASB').
INTERNAL MODEL ('IM')	A risk measurement system developed by an insurer to analyse its overall risk position, to quantify risks and to determine the economic capital required to meet those risks. Internal models are a key feature of the European Solvency II supervisory system and has been transposed into the Solvency UK system. The Prudential Regulation Authority has authorised certain UK insurance companies, upon application, to calculate their Solvency Capital Requirement using their own internal model as opposed to the prescribed standard formula.
LIFE COMPANY	A subsidiary entity of the Group providing life and pension products.
LINE OF BUSINESS ('LoB')	The applicable lines of business as prescribed by Annex I of Commission Delegated Regulation (EU) 2015/35.
LONG TERM GUARANTEE MEASURES	The extrapolation of risk-free interest rates, the Matching Adjustment ('MA'), the Volatility Adjustment ('VA'), the extension of the recovery period in case of non-compliance with the SCR, the transitional measures on the risk-free interest rates and the Transitional Measure on Technical Provisions ('TMTP').

LONG-TERM INCENTIVE PLAN ('LTIP')	The part of an executive's remuneration designed to incentivise long-term value for shareholders through an award of shares with vesting contingent on employment and the satisfaction of stretching performance conditions linked to Group strategy.
MANAGEMENT SERVICE AGREEMENT ('MSA')	Contracts that exist between the Phoenix Life and Services Companies or between Services Companies and their outsource partners.
MATCHING ADJUSTMENT ('MA')	An allowance, subject to PRA's approval that allows insurers to use a higher discount rate, based on the underlying assets, when valuing liabilities that meet strict eligibility criteria.
MINIMUM CAPITAL REQUIREMENT ('MCR')	The minimum amount of capital that the Group needs to hold to cover its risks under the Solvency II regulatory framework.
NEW BUSINESS CONTRIBUTION	Represents the increase in Solvency II shareholder Own Funds arising from new business written in the year (net of associated tax), adjusted to exclude the associated risk margin and any restrictions recognised in respect of contract boundaries. It is stated net of 'Day 1' acquisition costs and is calculated as the value of expected cash flows from new business sold, discounted at the risk free rate.
NON-ECONOMIC ASSUMPTIONS	Assumptions related to future levels of mortality, morbidity, persistency and expenses.
NON-PROFIT FUND	A life fund, which is not a with-profit fund, where risks and rewards of the fund fall wholly to the shareholders.
OPERATING PROFIT	Operating profit is a non-GAAP measure that is considered a more representative measure of performance than IFRS profit or loss after tax as it provides long-term performance information unaffected by short term economic volatility.
OWN FUNDS	Basic Own Funds comprise the excess of assets over liabilities valued in accordance with the Solvency II principles and subordinated liabilities which qualify to be included in Own Funds under the Solvency II rules. Eligible Own Funds are the amount of Own Funds that are available to cover the Solvency Capital Requirements after applying prescribed quantitative limits and transferability and fungibility restrictions to Basic Own Funds.
OWN RISK AND SOLVENCY ASSSESSMENT ('ORSA')	The processes undertaken to provide a forward looking assessment of the Group's risk and capital profile, under normal and stress scenarios, as a result of its proposed business strategy and Annual Operating Plan.
PARTIAL INTERNAL MODEL ('PIM')	The model used to calculate the Group Solvency Capital Requirement pursuant to Solvency II. It aggregates outputs from the Internal Model and the Standard Formula with no diversification between the two.
PARTICIPATION	An entity in which a parent undertaking holds ownership of 20% or more of the voting rights or capital of that entity, whether directly or indirectly, and an entity over which a parent undertaking effectively exercises dominant or significant influence.
PART VII TRANSFER	The transfer of insurance policies under Part VII of Financial Services and Markets Act 2000 ('FSMA') 2000. The insurers involved can be in the same corporate group or in different groups. Transfers require the consent of the High Court, which will consider the views of the PRA and FCA and of an Independent Expert.
PRUDENTIAL REGULATION AUTHORITY ('PRA')	The body responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. The PRA and FCA use a Memorandum of Understanding to co-ordinate and carry out their respective responsibilities.
PRINCIPLES AND PRACTICES OF FINANCIAL MANAGEMENT ('PPFM')	A publicly available document which explains how the Company's with-profit business is managed. As part of demonstrating that customers are treated fairly, the Board certifies the Company's compliance with the PPFM.
REASSURE	The companies originally comprising the businesses of ReAssure Limited, ReAssure Life Limited and Ark Life Assurance Company dac which were acquired on 22 July 2020.
RING FENCED FUND ('RFF')	Arrangement by which the own funds' surplus of certain particular assets over certain particular liabilities may have a reduced capacity to absorb losses on a going concern basis due to their lack of transferability under Solvency II.
RISK MARGIN	The amount used to ensure that the value of the technical provisions is equivalent to the amount that a Life Company would be expected to require in order to take over and meet insurance and reinsurance obligations.
SENIOR MANAGERS AND CERTIFICATION REGIME ('SMCR')	Legislation was extended in 2016 setting standards of conduct in financial services to apply to all UK authorised insurance firms to ensure greater personal accountability at all levels, minimum standards of conduct and that colleagues in key jobs are fit and proper to perform their roles.
SHARE CAPITAL COVERAGE RATIO	Represents total Eligible Own Funds divided by Solvency Capital Requirement ('SCR'), adjusted to a shareholder view through the exclusion of amounts relating to those ring-fenced with-profit funds and Group pension schemes whose Own Funds exceed their SCR.

SOLVENCY II	A regime that governs the prudential regulation of insurance firms in the UK, originally introduced by European Directive 2009/138/EC of the European Parliament as amended by Directive 2014/51/EU for the prudential regulation of European insurance companies that came into force on 1 January 2016, as supplemented by Commission Delegated Regulation (EU) 2015/35.
SOLVENCY II REFORMS	A package of measures announced by the Government to promote competitiveness of the UK insurance sector whilst continuing to protect customers. Reforms to the risk margin came into force on 31 December 2023.
SOLVENCY II SURPLUS	The excess of Eligible Own Funds over the Solvency Capital Requirement.
SOLVENCY CAPITAL REQUIREMENT ('SCR')	SCR relates to risks and obligations to which the Group is exposed and calibrated so that the likelihood of a loss exceeding the SCR is less than 0.5% over one year. This ensures that capital is sufficient to withstand a broadly '1-in-200' event.
SS 5/19	Supervisory Statement number 5 issued by the PRA in September 2019 setting out expectations for the management of liquidity risk by UK insurers.
STANDARD FORMULA	A set of calculations prescribed by the regulations for generating the SCR.
STANDARD LIFE ASSURANCE BUSINESSES	Standard Life Assurance Limited, Standard Life Pensions Fund Limited, Standard Life International Designated Activity Company, Vebnet (Holdings) Limited, Vebnet Limited, Standard Life Lifetime Mortgages Limited, Standard Life Assets and Employee Services Limited and Standard Life Investment Funds Limited (together known as the Standard Life Assurance businesses) acquired by the Group on 31 August 2018.
TECHNICAL PROVISIONS ('TP')	The sum of the Best Estimate Liabilities and the risk margin. Technical provisions include Transitional Measures on Technical Provisions where firms have received PRA approval to apply the deduction.
TECHNICAL PROVISIONS AS A WHOLE	Unit reserves recognised separately, to aid in the identification of future profits component of unit-linked technical provisions.
THE PENSIONS REGULATOR ('TPR')	A non-departmental public body which regulates work-based pension schemes in the UK.
TRANSITIONAL MEASURE ON TECHNICAL PROVISIONS ('TMTP')	An allowance, subject to the PRA's approval, to apply a transitional deduction to technical provisions. The transitional deduction corresponds to the difference between net technical provisions calculated in accordance with Solvency II principles and net technical provisions calculated in accordance with the previous regime. It is expected to decrease linearly over a period of 16 years starting from 1 January 2016 to 1 January 2032. TMTP is subject to a mandatory recalculation every two years or on the occurrence of certain defined events. TMTP is an item of Own Funds.
TOTAL SHAREHOLDER RETURN ('TSR')	The gain, over a fixed period, to an investor in terms of share price growth and dividends (assuming that dividends received are re-invested on the ex-dividend date in acquiring further shares).
UNIT-LINKED ('UL') CONTRACT	A policy in which the benefits are determined by the investment performance of the underlying assets in the unit-linked fund.
WATES PRINCIPLES	"The Wates Corporate Governance Principles for Large Private Companies", is a set of guidance which offers all companies that are not subject to a formal corporate governance code an opportunity to consider their approach to governance. The Wates Principles offer a company a framework of expectations which allow a company that had previously not been subject to a governance code to meet the requirements of "The Companies (Miscellaneous Reporting) Regulations 2018" which require all companies of a significant size to disclose their corporate governance arrangements.
WITH-PROFIT FUND	A fund in which policyholders are entitled to a share of the profits of the fund. Normally, policyholders receive their share of the profits through bonuses. Also known as a participating fund because policyholders have a participating interest in the with-profit fund and any declared bonuses. Generally, policyholder and shareholder participation in with-profit funds in the UK is split 90:10.
VOLATILITY ADJUSTMENT ('VA')	A measure to ensure the appropriate treatment of insurance products with long-term guarantees under Solvency II and is used to adjust the risk free rate to mitigate the effect of short-term volatility of bond spreads on the solvency position.

Appendices 1 – 9 Quantitative Reporting Templates (31 December 2023)

This report has been prepared in conjunction with the following QRTs, the table below illustrates the templates applicable to the PGH Group and each insurance subsidiary:

QRT number	QRT name	PGH Group (Appendix 1)	PLL (Appendix 2)	PLAL (Appendix 3)	SLAL (Appendix 4)	SLPF (Appendix 5)	RAL (Appendix 6)	RLL (Appendix 7)	SLOC (Appendix 8)	PA(GI) (Appendix 9)
S.02.01.02	Balance sheet	✓	✓	✓	✓	✓	✓	✓	✓	✓
S.05.01.02	Premiums, claims and expenses by Line of Business	✓	✓	✓	✓	✓	✓	✓	✓	–
S.12.01.02	Life and Health SLT technical provisions	–	✓	–	✓	–	✓	✓	✓	–
S.22.01.21	Impact of long term guarantees and transitionals (Life Companies)	–	✓	–	–	–	✓	–	–	–
S.22.01.22	Impact of long term guarantees and transitionals (Group)	✓	–	–	–	–	–	–	–	–
S.23.01.01	Own Funds (Life Companies)	–	✓	✓	✓	✓	✓	✓	✓	✓
S.23.01.22	Own Funds (Group)	✓	–	–	–	–	–	–	–	–
S.25.01.21	Solvency Capital Requirement – for undertakings on Standard Formula	–	–	–	–	–	✓	✓	✓	–
S.25.02.22	Solvency Capital Requirement – partial Internal Model	✓	–	–	–	–	–	–	–	–
S.25.03.21	Solvency Capital Requirement – for undertakings on full Internal Model	–	✓	–	–	–	–	–	–	✓
S.28.01.01	Minimum Capital Requirement – only life or only non-life insurance or reinsurance activity	–	✓	✓	✓	✓	✓	✓	✓	✓
S.32.01.22	Undertakings in the scope of the Group	✓	–	–	–	–	–	–	–	–

All public disclosure QRTs shown in the Appendices are presented in sterling (£) rounded to the nearest thousand.

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group

Appendix 1.1 – S.02.01.02 Balance Sheet

		Solvency II value
		C0010
Asset		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	–
Deferred tax assets	R0040	357,463
Pension benefit surplus	R0050	27,797
Property, plant & equipment held for own use	R0060	81,714
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**94,918,038**
Property (other than for own use)	R0080	1,036,559
Holdings in related undertakings, including participations	R0090	36,920,956
Equities	R0100	2,417,356
Equities – listed	R0110	2,398,941
Equities – unlisted	R0120	18,416
Bonds	R0130	49,072,856
Government Bonds	R0140	24,306,972
Corporate Bonds	R0150	24,487,152
Structured notes	R0160	148,420
Collateralised securities	R0170	130,312
Collective Investments Undertakings	R0180	3,188,339
Derivatives	R0190	2,212,768
Deposits other than cash equivalents	R0200	69,204
Other investments	R0210	–
Assets held for index-linked and unit-linked contracts	R0220	170,290,184
Loans and mortgages	**R0230**	**7,437,439**
Loans on policies	R0240	21,704
Loans and mortgages to individuals	R0250	143
Other loans and mortgages	R0260	7,415,592
Reinsurance recoverables from:	**R0270**	**16,209,437**
Non-life and health similar to non-life	R0280	–
Non-life excluding health	R0290	–
Health similar to non-life	R0300	–
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	6,556,454
Health similar to life	R0320	153,452
Life excluding health and index-linked and unit-linked	R0330	6,403,002
Life index-linked and unit-linked	R0340	9,652,983
Deposits to cedants	R0350	–
Insurance and intermediaries receivables	R0360	243,907
Reinsurance receivables	R0370	130,076
Receivables (trade, not insurance)	R0380	2,896,604
Own shares (held directly)	R0390	–
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	–
Cash and cash equivalents	R0410	652,344
Any other assets, not elsewhere shown	R0420	–
Total assets	**R0500**	**293,245,005**

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.1 – S.02.01.02 Balance Sheet continued

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	**R0510**	**–**
Technical provisions – non-life (excluding health)	**R0520**	**–**
Technical provisions calculated as a whole	R0530	–
Best Estimate	R0540	–
Risk margin	R0550	–
Technical provisions – health (similar to non-life)	**R0560**	**–**
Technical provisions calculated as a whole	R0570	–
Best Estimate	R0580	–
Risk margin	R0590	–
Technical provisions – life (excluding index-linked and unit-linked)	**R0600**	**87,282,263**
Technical provisions – health (similar to life)	**R0610**	**308,861**
Technical provisions calculated as a whole	R0620	4,427
Best estimate	R0630	300,525
Risk margin	R0640	3,909
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	**86,973,402**
Technical provisions calculated as a whole	R0660	–
Best Estimate	R0670	86,808,058
Risk margin	R0680	165,344
Technical provisions – index-linked and unit-linked	**R0690**	**176,866,365**
Technical provisions calculated as a whole	R0700	181,271,384
Best Estimate	R0710	(4,541,483)
Risk margin	R0720	136,464
Other technical provisions	R0730	
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	161,847
Pension benefit obligations	R0760	1,466,258
Deposits from reinsurers	R0770	4,044,439
Deferred tax liabilities	R0780	1,568,226
Derivatives	R0790	3,014,355
Debts owed to credit institutions	R0800	900,973
Financial liabilities other than debts owed to credit institutions	R0810	1,649
Insurance & intermediaries payables	R0820	2,147,437
Reinsurance payables	R0830	91,507
Payables (trade, not insurance)	R0840	1,414,312
Subordinated liabilities	**R0850**	**3,512,757**
Subordinated liabilities not in Basic Own Funds	R0860	–
Subordinated liabilities in Basic Own Funds	R0870	3,512,757
Any other liabilities, not elsewhere shown	R0880	–
Total liabilities	**R0900**	**282,472,388**

Excess of assets over liabilities	**R1000**	**10,772,617**

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.2 – S.05.01.02 Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	42,212	869,392	13,592,155	7,538,840	–	–	–	57,521	**22,100,120**
Reinsurers' share	R1420	8,739	33,790	622,474	2,583,192	–	–	–	43,365	**3,291,560**
Net	**R1500**	**33,473**	**835,602**	**12,969,681**	**4,955,648**	**–**	**–**	**–**	**14,156**	**18,808,560**
Premiums earned										
Gross	R1510	42,212	869,392	13,592,155	7,538,840	–	–	–	57,521	**22,100,120**
Reinsurers' share	R1520	8,739	33,790	622,474	2,583,192	–	–	–	43,365	**3,291,560**
Net	**R1600**	**33,473**	**835,602**	**12,969,681**	**4,955,648**	**–**	**–**	**–**	**14,156**	**18,808,560**
Claims incurred										
Gross	R1610	42,396	4,235,036	17,500,829	4,099,822	–	–	109	52,297	**25,930,488**
Reinsurers' share	R1620	15,131	79,240	546,630	2,219,579	–	–	–	24,469	**2,885,048**
Net	**R1700**	**27,265**	**4,155,796**	**16,954,199**	**1,880,243**	**–**	**–**	**109**	**27,828**	**23,045,441**
Changes in other technical provisions										
Gross	R1710	(13,712)	(2,461,199)	(5,450,928)	(3,446,455)	–	–	–	(12,214)	**(11,384,508)**
Reinsurers' share	R1720	3,059	345,638	(548,153)	1,316,753	–	–	–	–	**1,117,297**
Net	**R1800**	**(16,771)**	**(2,806,837)**	**(4,902,775)**	**(4,763,208)**	**–**	**–**	**–**	**(12,214)**	**(12,501,805)**
Expenses incurred	**R1900**	**8,921**	**314,108**	**899,664**	**635,615**	**–**	**–**	**–**	**(845)**	**1,857,463**
Other expenses	**R2500**									**(30)**
Total expenses	**R2600**									**1,857,432**

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.3 – S.22.01.22 Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	264,148,628	1,800,533	–	25,371	4,367,560
Basic own funds	R0020	10,884,161	(1,057,660)	–	(17,198)	(3,380,840)
Eligible own funds to meet Solvency Capital Requirement	R0050	11,068,347	(1,057,660)	–	(17,198)	(3,380,840)
Solvency Capital Requirement	R0090	7,209,609	(12,074)	–	4,568	3,835,059

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.4 – S.23.01.22 Own Funds Group

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	100,154	100,154		–	
Non-available called but not paid in ordinary share capital at group level	R0020	–	–		–	
Share premium account related to ordinary share capital	R0030	15,764	15,764		–	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	–	–		–	
Subordinated mutual member accounts	R0050	–		–	–	–
Non-available subordinated mutual member accounts at group level	R0060	–		–	–	–
Surplus funds	R0070	4,554,076	4,554,076			
Non-available surplus funds at group level	R0080	–	–			
Preference shares	R0090	500,000		500,000	–	–
Non-available preference shares at group level	R0100	–		–	–	–
Share premium account related to preference shares	R0110	–		–	–	–
Non-available share premium account related to preference shares at group level	R0120	–		–	–	–
Reconciliation reserve	R0130	2,028,132	2,028,132			
Subordinated liabilities	R0140	3,512,757		569,429	2,710,462	232,866
Non-available subordinated liabilities at group level	R0150	–		–	–	–
An amount equal to the value of net deferred tax assets	R0160	357,463				357,463
The amount equal to the value of net deferred tax assets not available at the group level	R0170	–				–
Other items approved by supervisory authority as basic own funds not specified above	R0180	–	–	–	–	–
Non available own funds related to other own funds items approved by supervisory authority	R0190	–	–	–	–	–
Minority interests (if not reported as part of a specific own fund item)	R0200	–	–	–	–	–
Non-available minority interests at group level	R0210	–	–	–	–	–
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	–				
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	184,186	184,186	–	–	–
Whereof deducted according to art 228 of the Directive 2009/138/EC	R0240	–	–	–	–	
Deductions for participations where there is non-availability of information (Article 229)	R0250	–	–	–	–	–
Deduction for participations included by using D&A when a combination of methods is used	R0260	–	–	–	–	–
Total of non-available own fund items	R0270	–	–	–	–	–
Total deductions	**R0280**	**184,186**	**184,186**	**–**	**–**	**–**
Total basic own funds after deductions	**R0290**	**10,884,161**	**6,513,941**	**1,069,429**	**2,710,462**	**590,329**

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued
Appendix 1.4 – S.23.01.22 Own Funds Group continued

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	–			–	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	R0310	–			–	
Unpaid and uncalled preference shares callable on demand	R0320	–			–	–
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	–			–	–
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	–			–	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	–			–	–
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	–			–	
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	–			–	–
Non available ancillary own funds at group level	R0380	–			–	–
Other ancillary own funds	**R0390**	**–**			**–**	**–**
Total ancillary own funds	**R0400**	**–**			**–**	**–**
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – Total	R0410	3,122	3,122	–	–	
Institutions for occupational retirement provision	R0420	–	–	–	–	–
Non regulated entities carrying out financial activities	R0430	181,063	181,063	–	–	
Total own funds of other financial sectors	R0440	184,186	184,186	–	–	–
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	–	–	–	–	–
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	–	–	–	–	–
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0520**	**10,884,161**	**6,513,941**	**1,069,429**	**2,710,462**	**590,329**
Total available own funds to meet the minimum consolidated group SCR	**R0530**	**10,293,832**	**6,513,941**	**1,069,429**	**2,710,462**	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	**R0560**	**10,884,161**	**6,513,941**	**1,069,429**	**2,710,462**	**590,329**
Total eligible own funds to meet the minimum consolidated group SCR	**R0570**	**8,027,360**	**6,513,941**	**1,069,429**	**443,990**	
Minimum consolidated Group SCR	**R0610**	**2,219,951**				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	**R0650**	**362%**				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	**R0660**	**11,068,347**	**6,698,127**	**1,069,429**	**2,710,462**	**590,329**
Group SCR	**R0680**	**7,209,609**				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	**R0690**	**154%**				

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued
Appendix 1.4 – S.23.01.22 Own Funds Group continued

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	10,772,617
Own shares (included as assets on the balance sheet)	R0710	15,274
Foreseeable dividends, distributions and charges	R0720	269,388
Other basic own fund items	R0730	5,527,457
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	2,194,349
Other non available own funds	R0750	738,016
Reconciliation reserve	**R0760**	**2,028,132**
Expected profits		
Expected profits included in future premiums (EPIFP) – Life Business	R0770	1,226,521
Expected profits included in future premiums (EPIFP) – Non-life business	R0780	–
Total EPIFP	**R0790**	**1,226,521**

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.5 – S.25.02.22 Solvency Capital Requirement – for undertakings using the standard formula and partial internal model

	Unique number of component	Components description	Calculation of the Solvency Capital Requirement	Amount modelled	USP	Simplifications
	C0010	C0020	C0030	C0070	C0090	C0120
A	1031AI	Other interest rate risk – UK FI PC1 down – Insurance	19,206	19,206	–	–
B	1031AP	Other interest rate risk – UK FI PC1 down – Pension Scheme	(7,264)	(7,264)	–	–
C	1031BI	Other interest rate risk – Euro FI PC1 down – Insurance	3,736	3,736	–	–
D	1031BP	Other interest rate risk – Euro FI PC1 down – Pension Scheme	–	–	–	–
E	1032AI	Other interest rate risk – UK FI PC1 up – Insurance	437,352	437,352	–	–
F	1032AP	Other interest rate risk – UK FI PC1 up – Pension Scheme	3,534	3,534	–	–
G	1032BI	Other interest rate risk – Euro FI PC1 up – Insurance	312,730	312,730	–	–
H	1032BP	Other interest rate risk – Euro FI PC1 up – Pension Scheme	–	–	–	–
I	1033AI	Other interest rate risk – UK FI PC2 down – Insurance	11,681	11,681	–	–
L	1033AP	Other interest rate risk – UK FI PC2 down – Pension Scheme	718	718	–	–
M	1033BI	Other interest rate risk – Euro FI PC2 down – Insurance	89,355	89,355	–	–
N	1033BP	Other interest rate risk – Euro FI PC2 down – Pension Scheme	–	–	–	–
O	1034AI	Other interest rate risk – UK FI PC2 up – Insurance	139,280	139,280	–	–
P	1034AP	Other interest rate risk – UK FI PC2 up – Pension Scheme	–	–	–	–
Q	1034BI	Other interest rate risk – Euro FI PC2 up – Insurance	1,662	1,662	–	–
R	1034BP	Other interest rate risk – Euro FI PC2 up – Pension Scheme	–	–	–	–
S	1035AI	Other interest rate risk – UK FI PC3 down – Insurance	17,995	17,995	–	–
T	1035AP	Other interest rate risk – UK FI PC3 down – Pension Scheme	287	287	–	–
U	1035BI	Other interest rate risk – Euro FI PC3 down – Insurance	18,794	18,794	–	–
V	1035BP	Other interest rate risk – Euro FI PC3 down – Pension Scheme	–	–	–	–
Z	1036AI	Other interest rate risk – UK FI PC3 up – Insurance	6,065	6,065	–	–
AA	1036AP	Other interest rate risk – UK FI PC3 up – Pension Scheme	–	–	–	–
BA	1036BI	Other interest rate risk – Euro FI PC3 up – Insurance	137	137	–	–
CA	1036BP	Other interest rate risk – Euro FI PC3 up – Pension Scheme	–	–	–	–
DA	10399I	Other interest rate risk – Diversification – Insurance	(322,971)	(322,971)	–	–
EA	10399P	Other interest rate risk – Diversification – Pension Scheme	7,264	7,264	–	–
FA	10410I	Equity Price risk – Insurance	1,118,639	1,118,639	–	–
GA	10410P	Equity Price risk – Pension Scheme	67,624	67,624	–	–
HA	10420I	Equity Volatility risk – Insurance	774,129	774,129	–	–
IA	10420P	Equity Volatility risk – Pension Scheme	–	–	–	–
LA	10499I	Diversification within Equity Risk – Insurance	(557,811)	(557,811)	–	–
MA	10499P	Diversification within Equity Risk – Pension Scheme	–	–	–	–
NA	1061AI	Property risk – Commercial – Insurance	157,006	157,006	–	–
OA	1061AP	Property risk – Commercial – Pension Scheme	–	–	–	–
PA	1061BI	Property risk – Residential – Insurance	539,578	539,578	–	–
QA	1061BP	Property risk – Residential – Pension Scheme	–	–	–	–
RA	10699I	Property risk – Diversification within Property risk (106…) – Insurance	(23,332)	(23,332)	–	–
SA	10699P	Property risk – Diversification within Property risk (106…) – Pension Scheme	–	–	–	–
TA	1071AI	Spread risk – Credit spread risk financials – Insurance	2,197,824	2,197,824	–	–
UA	1071AP	Spread risk – Credit spread risk financials – Pension Scheme	26,268	26,268	–	–
VA	1071BI	Spread risk – Credit spread risk non-financials – Insurance	2,646,543	2,646,543	–	–
ZA	1071BP	Spread risk – Credit spread risk non-financials – Pension Scheme	–	–	–	–
AB	1071CI	Spread risk – Swap Spread – Insurance	675,445	675,445	–	–
BB	1071CP	Spread risk – Swap Spread – Pension Scheme	–	–	–	–
CB	10760I	Spread risk – liability change due to matching adjustment	(1,929,615)	(1,929,615)	–	–
DB	10799I	Spread risk – Diversification – Insurance	(372,061)	(372,061)	–	–
EB	10799P	Spread risk – Diversification – Pension Scheme	–	–	–	–
FB	10800I	Concentration risk – Insurance	90,887	90,887	–	–
GB	1090AI	Currency Risk – GBP & EUR currency – Insurance	343,449	343,449	–	–
HB	1090AP	Currency Risk – GBP & EUR currency – Pension Scheme	9,023	9,023	–	–
IB	1090BI	Currency Risk – GBP & non-EUR currencies – Insurance	427,573	427,573	–	–
LB	1090BP	Currency Risk – GBP & non-EUR currencies – Pension Scheme	–	–	–	–
MB	10999I	Currency risk – Diversification – Insurance	(93,712)	(93,712)	–	–
NB	10999P	Currency risk – Diversification – Pension Scheme	–	–	–	–
OB	1101AI	Other interest rate risk – UK RPI PC1 – Insurance	32,424	32,424	–	–
PB	1101AP	Other interest rate risk – UK RPI PC1 – Pension Scheme	–	–	–	–

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.5 – S.25.02.22 Solvency Capital Requirement – for undertakings using the standard formula and partial internal model continued

	Unique number of component	Components description	Calculation of the Solvency Capital Requirement	Amount modelled	USP	Simplifications
	C0010	C0020	C0030	C0070	C0090	C0120
QB	1101BI	Other interest rate risk – UK RPI PC2 – Insurance	12,798	12,798	–	–
RB	1101BP	Other interest rate risk – UK RPI PC2 – Pension Scheme	213	213	–	–
SB	1101CI	Other interest rate risk – Market RPI Swap Spread – Insurance	135,647	135,647	–	–
TB	1101CP	Other interest rate risk – Market RPI Swap Spread – Pension Scheme	1,402	1,402	–	–
UB	11020I	Other market risk – Swaption Volatility – Insurance	41,980	41,980	–	–
VB	11020P	Other market risk – Swaption Volatility – Pension Scheme	–	–	–	–
ZB	11030I	Equity risk – Equity Basis risk – Insurance	179,449	179,449	–	–
AC	11030P	Equity risk – Equity Basis risk – Pension Scheme	–	–	–	–
BC	11040I	Other interest rate risk – RPI Volatility Risk – Insurance	160,125	160,125	–	–
CC	11040P	Other interest rate risk – RPI Volatility Risk – Pension Scheme	–	–	–	–
DC	11050I	Other market risk – ERM Pre-Payments – Insurance	225,061	225,061	–	–
EC	11099I	Diversification within Other Market risks (110…) – Insurance	(362,952)	(362,952)	–	–
FC	11099P	Diversification within Other Market risks (110…) – Pension Scheme	–	–	–	–
GC	19900	Diversification within market risk – Insurance and Pension Scheme	(2,473,933)	(2,473,933)	–	–
HC	20110I	Type 1 Credit Counterparty – Internal Reinsurance – Insurance	–	–	–	–
IC	20110P	Type 1 Credit Counterparty – Internal Reinsurance – Pension Scheme	–	–	–	–
LC	20120I	Type 1 Credit Counterparty – External Reinsurance – Insurance	77,347	77,347	–	–
MC	20120P	Type 1 Credit Counterparty – External Reinsurance – Pension Scheme	–	–	–	–
NC	20130I	Type 1 Credit Counterparty – Derivatives – Insurance	55,211	55,211	–	–
OC	20130P	Type 1 Credit Counterparty – Derivatives – Pension Scheme	–	–	–	–
PC	20190I	Type 1 Credit Counterparty – Other – Insurance	80,058	80,058	–	–
QC	20190P	Type 1 Credit Counterparty – Other – Pension Scheme	–	–	–	–
RC	20200I	Type 2 Credit Counterparty – Insurance	126,258	126,258	–	–
SC	20200P	Type 2 Credit Counterparty – Pension Scheme	–	–	–	–
TC	29900I	Diversification between Type 1 and Type 2 credit counterparty risk	11,372	11,372	–	–
UC	30100I	Mortality risk – Insurance	426,076	426,076	–	–
VC	30210I	Longevity risk – mis-estimation risk – Insurance	1,210,390	1,210,390	–	–
ZC	30210P	Longevity risk – mis-estimation risk – Pension Scheme	9,638	9,638	–	–
AD	30220I	Longevity risk – trend risk – Insurance	1,271,653	1,271,653	–	–
BD	30220P	Longevity risk – trend risk – Pension Scheme	11,640	11,640	–	–
CD	30299I	Longevity risk – diversification – Insurance	(515,084)	(515,084)	–	–
DD	30299P	Longevity risk – diversification – Pension Scheme	(5,441)	(5,441)	–	–
ED	30300I	Disability-morbidity risk – Insurance	90,350	90,350	–	–
FD	30400I	Mass lapse – Dependent Persistency – Insurance	2,160,595	2,160,595	–	–
GD	30510I	Other lapse risk – Independent Persistency – Insurance	1,001,370	1,001,370	–	–
HD	30520I	Other lapse risk – Financial Guarantee Persistency – Insurance	201,369	201,369	–	–
ID	30599I	Diversification with Lapse – Insurance	(631,789)	(631,789)	–	–
LD	30600I	Expense risk – Company specific expense – Insurance	1,142,563	1,142,563	–	–
MD	30800I	Life catastrophe risk – Mortality & Morbidity Cat – Insurance	15,570	15,570	–	–
ND	39900	Diversification in life underwriting risk – Insurance & Pension Scheme	(2,225,752)	(2,225,752)	–	–
OD	40100I	Health Mortality	–	–	–	–
PD	40200I	Health Longevity	–	–	–	–
QD	40300I	Health Morbidity	9,655	9,655	–	–
RD	40400I	Health SLT Lapse	–	–	–	–
SD	40600I	Health Expense	249	249	–	–
TD	49900I	Diversification within health underwriting risk	(122)	(122)	–	–
UD	60100I	Intangible asset risk – Insurance	–	–	–	–
VD	70100I	Operational risk – Insurance	1,268,018	1,268,018	–	–
ZD	70100P	Operational risk – Pension Scheme	–	–	–	–
AE	80100I	Other risks – Insurance	139,684	139,684	–	–
BE	80100P	Other risks – Pension scheme	–	–	–	–
CE	80200I	Non-dynamic management actions	(61,110)	(61,110)	–	–
DE	80300I	Loss absorbing capacity of deferred tax	(1,158,979)	(1,158,979)	–	–
EE	80400I	Other adjustments – Insurance	266,020	266,020	–	–
FE	80400P	Other adjustments – Pension scheme	–	–	–	–

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.5 – S.25.02.22 Solvency Capital Requirement – for undertakings using the standard formula and partial internal model continued

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	R0110	9,766,036
Diversification	R0060	(2,563,156)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	–
Solvency Capital Requirement excluding capital add-on	**R0200**	**7,202,880**
Capital add-ons already set	R0210	–
Solvency capital requirement for undertakings under consolidated method	**R0220**	**7,209,609**
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	(3,880,535)
Amount/estimate of the overall loss-absorbing capacity of deferred taxes	R0310	(1,158,979)
Capital requirement for duration-based equity risk sub-module	R0400	–
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	2,038,514
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	2,420,662
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	2,743,704
Diversification effects due to RFF nSCR aggregation for article 304	R0440	–
Minimum consolidated group solvency capital requirement	R0470	2,219,951
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	6,595
Capital requirement for other financial sectors (Non-insurance capital requirements) – Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	6,595
Capital requirement for other financial sectors (Non-insurance capital requirements) – Institutions for occupational retirement provisions	R0520	–
Capital requirement for other financial sectors (Non-insurance capital requirements) – Capital requirement for non- regulated entities carrying out financial activities	R0530	–
Capital requirement for non-controlled participation requirements	R0540	–
Capital requirement for residual undertakings	R0550	134
Overall SCR		
SCR for undertakings included via D and A	R0560	–
Solvency capital requirement	**R0570**	**7,209,609**

Appendix and additional information continued

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.6 – S.32.01.22 Undertakings in the scope of the group

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	BQYCTFWOEM1JRDE6F109GB10000	2 – Specific code	103 Wardour Street Retail Investment Company Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
ES	923M5RA2I1X3IO5NGM14ES10013	2 – Specific code	28 Riberia de Loira SL	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB10023	2 – Specific code	3 St Andrew Square Apartments Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
ES	923M5RA2I1X3IO5NGM14ES10012	2 – Specific code	330 Avenida de Aragon SL	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	549300RDK6X3LSLXYT37	1 – LEI	AB SICAV I – Diversified Yield Plus Portfolio	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		39.21%	39.21%	39.21%		2 – Significant	39.21%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493005FMXD1DF7H5U38	1 – LEI	Abbey Life Assurance Company Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138006AVN3BGVP6FN70	1 – LEI	Abbey Life Trust Securities Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800QSPR2LRLU34T67	1 – LEI	Abbey Life Trustee Services Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	549300H7ELL1ZCTXVS23	1 – LEI	Aberdeen Standard Liquidity Fund (Lux) Euro Fund	99 – Other	Undertakings for Collective Investments in Transferable Securities	2 – Non-mutual		39.38%	39.38%	39.38%		2 – Significant	39.38%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	549300HBG59GBCBNNR42	1 – LEI	Aberdeen Standard Liquidity Fund (Lux) Sterling Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		30.05%	30.05%	30.05%		2 – Significant	30.05%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300OGBCWXTEIIB738	1 – LEI	Abrdn (Lothian) European Trust	99 – Other	Authorised unit trust	2 – Non-mutual		95.65%	100.00%	95.65%		1 – Dominant	95.65%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300MFFMRGN3DL4U09	1 – LEI	Abrdn (Lothian) European Trust II	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300SHV3HHVK5G9F12	1 – LEI	Abrdn (Lothian) International Trust	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300HH5KCHFB2PI064	1 – LEI	Abrdn (Lothian) Japan Trust	99 – Other	Authorised unit trust	2 – Non-mutual		78.05%	100.00%	78.05%		1 – Dominant	78.05%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300NXR0AHS2OB8865	1 – LEI	Abrdn (Lothian) North American Trust	99 – Other	Authorised unit trust	2 – Non-mutual		99.47%	100.00%	99.47%		1 – Dominant	99.47%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493007AVUY3HNQMVP73	1 – LEI	Abrdn (Lothian) Pacific Basin Trust	99 – Other	Authorised unit trust	2 – Non-mutual		98.51%	100.00%	98.51%		1 – Dominant	98.51%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300IWURTTOR0B5L22	1 – LEI	Abrdn (Lothian) UK Corporate Bond Trust	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300R55XQGRNOY5804	1 – LEI	Abrdn (Lothian) UK Equity General Trust	99 – Other	Authorised unit trust	2 – Non-mutual		99.67%	100.00%	99.67%		1 – Dominant	99.67%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300MJT9ZDQRPVGI94	1 – LEI	Abrdn American Equity Enhanced Index Fund	99 – Other	Open ended investment company	2 – Non-mutual		48.23%	48.23%	48.23%		2 – Significant	48.23%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800DET54CL59ANP48	1 – LEI	Abrdn American Income Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		65.26%	65.26%	65.26%		2 – Significant	65.26%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493006QCTJXHTFJ3644	1 – LEI	Abrdn Asia Pacific Equity Enhanced Index Fund	99 – Other	Open ended investment company	2 – Non-mutual		35.99%	35.99%	35.99%		2 – Significant	35.99%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300QBUDBMEWMHE886	1 – LEI	Abrdn Asia Pacific Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		22.83%	22.83%	22.83%		2 – Significant	22.83%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	54930000QS4A1CF6L143	1 – LEI	Abrdn Dynamic Distribution Fund	99 – Other	Authorised unit trust	2 – Non-mutual		63.23%	63.23%	63.23%		2 – Significant	63.23%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300FOFZB42GW3KA59	1 – LEI	Abrdn Emerging Markets Equity Enhanced Index Fund	99 – Other	Open ended investment company	2 – Non-mutual		25.45%	25.45%	25.45%		2 – Significant	25.45%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300CXJKWFFQ52U744	1 – LEI	Abrdn Emerging Markets Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		22.06%	22.06%	22.06%		2 – Significant	22.06%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300IL7BS03RLOFU72	1 – LEI	Abrdn Emerging Markets Income Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		74.36%	100.00%	74.36%		1 – Dominant	74.36%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800TQ9E98LE1IK344	1 – LEI	Abrdn Emerging Markets Local Currency Bond Tracker Fund	99 – Other	Open ended investment company	2 – Non-mutual		42.19%	42.19%	42.19%		2 – Significant	42.19%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300K8H8PF81I79V14	1 – LEI	Abrdn Ethical Corporate Bond Fund	99 – Other	Open ended investment company	2 – Non-mutual		57.34%	57.34%	57.34%		2 – Significant	57.34%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300BRIS40GV4JCP40	1 – LEI	Abrdn Europe ex UK Ethical Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		78.61%	100.00%	78.61%		1 – Dominant	78.61%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300SWQMOBJ71D8V30	1 – LEI	Abrdn Europe ex UK Income Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		26.24%	26.24%	26.24%		2 – Significant	26.24%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300D6SMCZPGAS4K78	1 – LEI	Abrdn European Equity Enhanced Index Fund	99 – Other	Open ended investment company	2 – Non-mutual		25.37%	25.37%	25.37%		2 – Significant	25.37%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800RDSFQJ1WCH5U85	1 – LEI	Abrdn European Equity Tracker Fund	99 – Other	Open ended investment company	2 – Non-mutual		23.14%	23.14%	23.14%		2 – Significant	23.14%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493006DR40DJEX4S552	1 – LEI	Abrdn Global Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		22.99%	22.99%	22.99%		2 – Significant	22.99%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300AV7SLX8ONNEB07	1 – LEI	abrdn Global Government Bond Tracker Fund	99 – Other	Open ended investment company	2 – Non-mutual		31.90%	31.90%	31.90%		2 – Significant	31.90%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300JNPM6F1DOWD990	1 – LEI	Abrdn Global Inflation-Linked Bond Fund	99 – Other	Open ended investment company	2 – Non-mutual		24.13%	24.13%	24.13%		2 – Significant	24.13%	1 – Included in the scope		3 – Method 1: Adjusted equity method

Appendix and additional information continued

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.6 – S.32.01.22 Undertakings in the scope of the group continued

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	213800AOQTY738Q2P112	1 – LEI	Abrdn Global Inflation-Linked Bond Tracker Fund	99 – Other	Open ended investment company	2 – Non-mutual		52.87%	52.87%	52.87%		2 – Significant	52.87%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300NR5XU4V9M57E06	1 – LEI	Abrdn Global Real Estate Fund	99 – Other	Authorised unit trust	2 – Non-mutual		36.57%	36.57%	36.57%		2 – Significant	36.57%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300R08EHVC5JJP961	1 – LEI	Abrdn Global Smaller Companies Fund	99 – Other	Open ended investment company	2 – Non-mutual		25.59%	25.59%	25.59%		2 – Significant	25.59%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300QJVJLKGCZT1126	1 – LEI	Abrdn High Yield Bond Fund	99 – Other	Open ended investment company	2 – Non-mutual		20.37%	20.37%	20.37%		2 – Significant	20.37%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493001C0YQN0LMGLZ65	1 – LEI	Abrdn Investment Grade Corporate Bond Fund	99 – Other	Open ended investment company	2 – Non-mutual		42.52%	42.52%	42.52%		2 – Significant	42.52%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300OSE3GHOLT1EH74	1 – LEI	Abrdn Japan Equity Enhanced Index Fund	99 – Other	Open ended investment company	2 – Non-mutual		51.85%	51.85%	51.85%		2 – Significant	51.85%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493001D9Z9K60I20F92	1 – LEI	Abrdn MT American Equity Unconstrained Fund	99 – Other	Authorised unit trust	2 – Non-mutual		78.13%	100.00%	78.13%		1 – Dominant	78.13%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800FX7SK96A7DHI46	1 – LEI	Abrdn MT Global REIT Fund	99 – Other	Authorised unit trust	2 – Non-mutual		80.49%	100.00%	80.49%		1 – Dominant	80.49%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300JW31CPY05QNC81	1 – LEI	Abrdn MT Japan Fund	99 – Other	Authorised unit trust	2 – Non-mutual		77.55%	100.00%	77.55%		1 – Dominant	77.55%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800UY8FM6YRIIWA16	1 – LEI	Abrdn MT Sterling Intermediate Credit Fund	99 – Other	Authorised unit trust	2 – Non-mutual		93.63%	100.00%	93.63%		1 – Dominant	93.63%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800XNFM8J47REYL45	1 – LEI	Abrdn MyFolio Managed I Fund	99 – Other	Open ended investment company	2 – Non-mutual		77.50%	100.00%	77.50%		1 – Dominant	77.50%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800JVMZC7GM5CYO35	1 – LEI	Abrdn MyFolio Managed II Fund	99 – Other	Open ended investment company	2 – Non-mutual		76.92%	100.00%	76.92%		1 – Dominant	76.92%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138005CQLTFA4T8LN82	1 – LEI	Abrdn MyFolio Managed III Fund	99 – Other	Open ended investment company	2 – Non-mutual		84.49%	100.00%	84.49%		1 – Dominant	84.49%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800PYGZT1KZZ9UT72	1 – LEI	Abrdn MyFolio Managed IV Fund	99 – Other	Open ended investment company	2 – Non-mutual		68.36%	68.36%	68.36%		2 – Significant	68.36%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800DT88TRXWXFW531	1 – LEI	Abrdn MyFolio Managed V Fund	99 – Other	Open ended investment company	2 – Non-mutual		76.75%	100.00%	76.75%		1 – Dominant	76.75%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800EQHAIYMJPLIZ18	1 – LEI	Abrdn MyFolio Market I Fund	99 – Other	Open ended investment company	2 – Non-mutual		42.30%	42.30%	42.30%		2 – Significant	42.30%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800IFS6A5AOLOUS24	1 – LEI	Abrdn MyFolio Market II Fund	99 – Other	Open ended investment company	2 – Non-mutual		50.36%	50.36%	50.36%		2 – Significant	50.36%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800WD5VNT5CS9QF27	1 – LEI	Abrdn MyFolio Market III Fund	99 – Other	Open ended investment company	2 – Non-mutual		56.77%	56.77%	56.77%		2 – Significant	56.77%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138007A8RMRT2RC2E67	1 – LEI	Abrdn MyFolio Market IV Fund	99 – Other	Open ended investment company	2 – Non-mutual		54.08%	54.08%	54.08%		2 – Significant	54.08%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800TGMTB8IDAYKD45	1 – LEI	Abrdn MyFolio Market V Fund	99 – Other	Open ended investment company	2 – Non-mutual		58.47%	58.47%	58.47%		2 – Significant	58.47%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800EEJVVK31YR6A19	1 – LEI	Abrdn MyFolio Multi-Manager II Fund	99 – Other	Open ended investment company	2 – Non-mutual		48.78%	48.78%	48.78%		2 – Significant	48.78%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800731SH2AZ2LNR22	1 – LEI	Abrdn MyFolio Multi-Manager III Fund	99 – Other	Open ended investment company	2 – Non-mutual		56.50%	56.50%	56.50%		2 – Significant	56.50%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800I2TZGOMPYGRH19	1 – LEI	Abrdn MyFolio Multi-Manager IV Fund	99 – Other	Open ended investment company	2 – Non-mutual		59.86%	59.86%	59.86%		2 – Significant	59.86%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800QWLPXCX6JPNJ46	1 – LEI	Abrdn MyFolio Multi-Manager V Fund	99 – Other	Open ended investment company	2 – Non-mutual		37.59%	37.59%	37.59%		2 – Significant	37.59%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	5493007U26RX6I54SA36	1 – LEI	Abrdn Phoenix Fund Financing SCSP	99 – Other	Limited Partnership	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138004MK7VPTZ99EV13	1 – LEI	Abrdn Private Equity Opportunities Trust plc	99 – Other	Company limited by shares	2 – Non-mutual		53.58%	100.00%	53.58%		1 – Dominant	53.58%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493000EGJ32E4VRCD68	1 – LEI	Abrdn Short Dated Corporate Bond Fund	99 – Other	Open ended investment company	2 – Non-mutual		26.77%	26.77%	26.77%		2 – Significant	26.77%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800F2H4W5QY1I1V90	1 – LEI	Abrdn Short Dated Global Corporate Bond Tracker Fund	99 – Other	Open ended investment company	2 – Non-mutual		95.85%	100.00%	95.85%		1 – Dominant	95.85%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800TX3JRNPWMTWP37	1 – LEI	Abrdn Short Dated Sterling Corporate Bond Tracker Fund	99 – Other	Open ended investment company	2 – Non-mutual		91.26%	100.00%	91.26%		1 – Dominant	91.26%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300P9GBRPESQMRN82	1 – LEI	Abrdn Short Duration Global Inflation-Linked Bond Fund	99 – Other	Open ended investment company	2 – Non-mutual		22.07%	22.07%	22.07%		2 – Significant	22.07%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	549300XT276EOJ765R93	1 – LEI	Abrdn SICAV I – Diversified Income Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		36.27%	36.27%	36.27%		2 – Significant	36.27%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	54930038MS858LAR8B49	1 – LEI	Abrdn SICAV I – Emerging Markets Low Volatility Equity Portfolio	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		88.22%	88.22%	88.22%		2 – Significant	88.22%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	549300D74Z5SB5ZIUN31	1 – LEI	Abrdn SICAV I – Europe Ex UK Sustainable Equity Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		68.91%	100.00%	68.91%		1 – Dominant	68.91%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	5493001KTUF1YFKJDM10	1 – LEI	Abrdn SICAV I – GDP Weighted Global Government Bond Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		73.21%	100.00%	73.21%		1 – Dominant	73.21%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	549300QBEMZEKRKZQI47	1 – LEI	Abrdn SICAV I – Global Bond Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		99.60%	100.00%	99.60%		1 – Dominant	99.60%	1 – Included in the scope		3 – Method 1: Adjusted equity method

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued
Appendix 1.6 – S.32.01.22 Undertakings in the scope of the group continued

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LU	213800WIYPEVSD685504	1 – LEI	Abrdn SICAV I – Global Corporate Sustainable Bond Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		36.02%	36.02%	36.02%		2 – Significant	36.02%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	5493006DHM3I4TSPKB92	1 – LEI	Abrdn SICAV I – Global Government Bond Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		80.21%	100.00%	80.21%		1 – Dominant	80.21%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	5493007G0SOE2SJAK375	1 – LEI	Abrdn SICAV I – Japanese Sustainable Equity Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		22.52%	22.52%	22.52%		2 – Significant	22.52%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	549300ZTQFMLH5BQO667	1 – LEI	Abrdn SICAV I – North American Smaller Companies Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		24.34%	24.34%	24.34%		2 – Significant	24.34%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	213800IP5B4G9OSMS490	1 – LEI	Abrdn SICAV I – Short Dated Enhanced Income Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		39.94%	39.94%	39.94%		2 – Significant	39.94%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	213800A5KTINR38TJX25	1 – LEI	Abrdn SICAV II – Global Equity Impact Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		61.26%	100.00%	61.26%		1 – Dominant	61.26%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	OZNMNV475NEPJ5ONU690	1 – LEI	Abrdn SICAV II – Global Inflation-linked Government Bond Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		51.42%	100.00%	51.42%		1 – Dominant	51.42%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	5493000F2BMH2ZF0S853	1 – LEI	Abrdn SICAV II – Global Short Duration Corporate Bond Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		98.25%	100.00%	98.25%		1 – Dominant	98.25%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	ZBFDG70US1SSJG9Z0Y21	1 – LEI	Abrdn SICAV II Absolute Return Global Bond Strategies Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		92.46%	100.00%	92.46%		1 – Dominant	92.46%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	549300M4GPJKY6QZ5W83	1 – LEI	Abrdn SICAV II Emerging Market Local Currency Debt Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		89.59%	100.00%	89.59%		1 – Dominant	89.59%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	0C8VPGENNA8PSKOIU246	1 – LEI	Abrdn SICAV II European Corporate Bond Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		31.46%	31.46%	31.46%		2 – Significant	31.46%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	O7HH6SBXFMH5NOPHCD14	1 – LEI	Abrdn SICAV II European Government All Stocks Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	IKNRVTZFJMXVU04INT73	1 – LEI	Abrdn SICAV II European Smaller Companies Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		27.33%	27.33%	27.33%		2 – Significant	27.33%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	JXZR3W3VMU9TZ227V008	1 – LEI	Abrdn SICAV II Global Corporate Bond Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		53.05%	53.05%	53.05%		2 – Significant	53.05%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	U9X3FTNHCUP4L0WKGX71	1 – LEI	Abrdn SICAV II Global High Yield Bond Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		54.75%	100.00%	54.75%		1 – Dominant	54.75%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	JCSNRTX2P3VQCSCY9U38	1 – LEI	Abrdn SICAV II Global Real Estate Securities Sustainable Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		97.10%	100.00%	97.10%		1 – Dominant	97.10%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	213800X8GV8N34MCK147	1 – LEI	Abrdn Standard Liquidity Fund (Lux) – Seabury Euro Liquidity 1 Fund	99 – Other	Open ended investment company	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	2138007I927Y5RE7JQ45	1 – LEI	Abrdn Standard Liquidity Fund (Lux) – Seabury Sterling Liquidity 2 Fund	99 – Other	Open ended investment company	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
IE	213800PGI2RPZ3BRFY09	1 – LEI	Abrdn Standard Liquidity Fund (Lux) – Seabury Sterling Liquidity 3 Fund	99 – Other	Undertakings for Collective Investments in Transferable Securities	2 – Non-mutual		99.45%	100.00%	99.45%		1 – Dominant	99.45%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	549300NWSVV4LHMGPH25	1 – LEI	Abrdn Standard SICAV I – China Onshore Bond Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		60.75%	100.00%	60.75%		1 – Dominant	60.75%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493002044GBSUYXHY38	1 – LEI	Abrdn Sterling Corporate Bond Fund	99 – Other	Open ended investment company	2 – Non-mutual		26.45%	26.45%	26.45%		2 – Significant	26.45%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493007BPMLZS6UTIK63	1 – LEI	Abrdn Strategic Bond Fund	99 – Other	Authorised unit trust	2 – Non-mutual		54.16%	54.16%	54.16%		2 – Significant	54.16%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800SZF988RLNT5W22	1 – LEI	Abrdn Sustainable Index American Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		60.53%	100.00%	60.53%		1 – Dominant	60.53%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800C37UC91PS7F385	1 – LEI	Abrdn Sustainable Index World Equity Fund	99 – Other	Authorised unit trust	2 – Non-mutual		90.61%	100.00%	90.61%		1 – Dominant	90.61%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300EEIUZN4W9PZ404	1 – LEI	Abrdn UK Equity Enhanced Index Fund	99 – Other	Open ended investment company	2 – Non-mutual		47.25%	47.25%	47.25%		2 – Significant	47.25%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300W15GGPTR7GXH49	1 – LEI	Abrdn UK Government Bond Fund	99 – Other	Open ended investment company	2 – Non-mutual		38.10%	38.10%	38.10%		2 – Significant	38.10%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300DQLGGU0I3XV651	1 – LEI	Abrdn UK Income Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		28.14%	28.14%	28.14%		2 – Significant	28.14%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300YFI0FQMJTBUL92	1 – LEI	Abrdn UK Income Unconstrained Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		61.71%	61.71%	61.71%		2 – Significant	61.71%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300WUYJGEDDD4D060	1 – LEI	Abrdn UK Mid-Cap Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		31.44%	31.44%	31.44%		2 – Significant	31.44%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800CIR2UE599MVG13	1 – LEI	Abrdn UK Real Estate Feeder Fund	99 – Other	Authorised unit trust	2 – Non-mutual		63.85%	63.85%	63.85%		2 – Significant	63.85%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300KYBU0ETB5ZMM34	1 – LEI	Abrdn UK Smaller Companies Fund	99 – Other	Open ended investment company	2 – Non-mutual		30.89%	30.89%	30.89%		2 – Significant	30.89%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300QTWUY8C2TQBM83	1 – LEI	Abrdn UK Sustainable and Responsible Investment Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		40.54%	40.54%	40.54%		2 – Significant	40.54%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493002GMCQF3QS0II56	1 – LEI	Abrdn UK Value Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		58.68%	58.68%	58.68%		2 – Significant	58.68%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493001FUFQ7P3TWGM31	1 – LEI	ACS World Multifactor Equity Tracker Fund	99 – Other	Open ended investment company	2 – Non-mutual		22.21%	22.21%	22.21%		2 – Significant	22.21%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800GRORRHUWA5C435	1 – LEI	Alba LAS Pensions Management Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.6 – S.32.01.22 Undertakings in the scope of the group continued

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	21380035Z7JKF61E6Y61	1 – LEI	Alba Life Trustees Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
IE	21380012SZ774E8GAY03	1 – LEI	American Century Concentrated Global Growth Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		22.79%	22.79%	22.79%		2 – Significant	22.79%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	222100AVKM1M7Q2EFT37	1 – LEI	AMUNDI INDEX SOLUTIONS – AMUNDI GLOBAL CORP SRI 1-5Y	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		22.22%	22.22%	22.22%		2 – Significant	22.22%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	213800YL23YUT5FBRB63	1 – LEI	AMUNDI INDEX SOLUTIONS – AMUNDI MSCI CHINA ESG LEADERS SELECT	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		47.25%	47.25%	47.25%		2 – Significant	47.25%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	213800J6GAIQJ1OPP251	1 – LEI	AMUNDI INDEX SOLUTIONS – AMUNDI MSCI EMERGING EX CHINA ESG LEADERS SELECT	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		50.67%	50.67%	50.67%		2 – Significant	50.67%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	222100479LWJEIXZB875	1 – LEI	Amundi MSCI World Climate Transition CTB	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		51.95%	100.00%	51.95%		1 – Dominant	51.95%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	549300YXILW3O14Y0587	1 – LEI	Amundi UCITS Funds – Amundi Global Multi-Factor Equity Fund	99 – Other	Undertakings for Collective Investments in Transferable Securities	2 – Non-mutual		22.13%	22.13%	22.13%		2 – Significant	22.13%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	549300SPD93QZJ361803	1 – LEI	AQR Global Risk Premium UCITS Fund	99 – Other	Undertakings for Collective Investments in Transferable Securities	2 – Non-mutual		100.00%	100.00%	100.00%		2 – Significant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800O3L6KIDMHO2V40	1 – LEI	ASI Phoenix Global Private Equity III LP	99 – Other	Open ended investment company	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB10031	2 – Specific code	Phoenix Highvista Venture Capital Partners LP	99 – Other	Limited Partnership	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
US	2138007PAJOGN2JKWC75	1 – LEI	Axial Fundamental Strategies (US Investments) LLC	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138005ZEJNYUIFBET73	1 – LEI	BA (FURBS) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800RI6LYY15UVPA79	1 – LEI	BAILLIE GIFFORD INVESTMENT FUNDS II ICVC – BAILLIE GIFFORD UK EQUITY CORE FUND	99 – Other	Open ended investment company	2 – Non-mutual		39.42%	39.42%	39.42%		2 – Significant	39.42%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800JF6YTLVQMJSM58	1 – LEI	Baillie Gifford UK & Balanced Funds ICVC – Baillie Gifford UK and Worldwide Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		26.78%	26.78%	26.78%		2 – Significant	26.78%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800MVB3W3ROXJTQ58	1 – LEI	Ballie Gifford Emerging Marlets Leading Companies Fund	99 – Other	Open ended investment company	2 – Non-mutual		28.44%	28.44%	28.44%		2 – Significant	28.44%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493002PYX2DGGGHMM78	1 – LEI	Barings Emerging Markets Debt Short Duration Fund	99 – Other	Open ended investment company	2 – Non-mutual		30.89%	30.89%	30.89%		2 – Significant	30.89%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	600319	2 – Specific code	Barnwood Properties Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800JSKEG8KHZF9G80	1 – LEI	BL Telford Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	549300GIUUQLJYFN4I12	1 – LEI	BlackRock Global Funds – Sustainable World Bond Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		24.75%	24.75%	24.75%		2 – Significant	24.75%	1 – Included in the scope		3 – Method 1: Adjusted equity method
US	549300QZQGK46YT0OX58	1 – LEI	iShares Bloomberg Roll Select Commodity Strategy ETF	99 – Other	Open ended investment company	2 – Non-mutual		36.12%	36.12%	36.12%		2 – Significant	36.12%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300MQT7YRWQ7R2C91	1 – LEI	BlackRock Market Advantage Fund	99 – Other	Undertakings for Collective Investments in Transferable Securities	2 – Non-mutual		50.74%	50.74%	50.74%		2 – Significant	50.74%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800KF7562RNNOS537	1 – LEI	BNY Mellon 50/50 Global Equity Fund	99 – Other	Undertakings for Collective Investments in Transferable Securities	2 – Non-mutual		73.99%	100.00%	73.99%		1 – Dominant	73.99%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138007XFQBZSC5L5I41	1 – LEI	BNY Mellon Global Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		26.96%	26.96%	26.96%		2 – Significant	26.96%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800RW62RT6X1VD858	1 – LEI	BNY Mellon Multi-Asset Global Balanced Fund	99 – Other	Undertakings for Collective Investments in Transferable Securities	2 – Non-mutual		30.09%	30.09%	30.09%		2 – Significant	30.09%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB00080	2 – Specific code	Brent Cross Partnership	99 – Other	Limited Partnership	2 – Non-mutual		23.83%	23.83%	23.83%		2 – Significant	23.83%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800S88OB7OOLWB337	1 – LEI	Britannic Finance Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800J8J5RG7CXMLT47	1 – LEI	Britannic Group Services Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800OCFONM4ZNJBB35	1 – LEI	Britannic Money Investment Services Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800C2PGN9I9C33L82	1 – LEI	Century Trustee Services Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800WZ8AOAA75AN976	1 – LEI	CF Macquaries Global Infrastructure Securities Fund	99 – Other	Open ended investment company	2 – Non-mutual		26.98%	26.98%	26.98%		2 – Significant	26.98%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB10027	2 – Specific code	CGE Management Company Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800VUT844OO5BG366	1 – LEI	CH Management Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800F4I4AWU6NBME19	1 – LEI	Cityfourinc	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.6 – S.32.01.22 Undertakings in the scope of the group continued

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LU	549300IO83R0SDHVE103	1 – LEI	Duke Distribution Centres S.à.r.l.	99 – Other	Company limited by shares	2 – Non-mutual		43.39%	43.39%	43.39%		2 – Significant	43.39%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	5493005WJ0UKDIUVBI31	1 – LEI	Duke Offices & Developments S.à.r.l.	99 – Other	Company limited by shares	2 – Non-mutual		43.39%	43.39%	43.39%		2 – Significant	43.39%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493004S4OGUNITLEY46	1 – LEI	ERIP General Partner Limited	99 – Other	Company limited by shares	2 – Non-mutual		80.00%	100.00%	80.00%		1 – Dominant	80.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800RKSNN1SLFPXO64	1 – LEI	ERIP Limited Partnership	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB00081	2 – Specific code	European Strategic Partners LP	99 – Other	Limited Partnership	2 – Non-mutual		72.70%	100.00%	72.70%		1 – Dominant	72.70%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300JLW6FB8OMS0W41	1 – LEI	Fidelity Multi Asset Open Adventurous Fund	99 – Other	Open ended investment company	2 – Non-mutual		46.63%	46.63%	46.63%		2 – Significant	46.63%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800L9MD2TYUF2M658	1 – LEI	G Assurance & Pensions Services Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800288SWHO9SYPM36	1 – LEI	G Financial Services Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800LU36TP1TUUMI19	1 – LEI	G Life H Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB00033	2 – Specific code	G Park Management Company Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138003URY7NYBK77767	1 – LEI	G Trustees Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB10017	2 – Specific code	Gallions Reach Shopping Park (Nominee) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB00082	2 – Specific code	Gallions Reach Shopping Park Limited Partnership	99 – Other	Limited Partnership	2 – Non-mutual		100.00%	100.00%	100.00%		2 – Significant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
JE	923M5RA2I1X3IO5NGM14JE10016	2 – Specific code	Gallions Reach Shopping Park Unit Trust	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		2 – Significant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	549300VH5ELIKINLO832	1 – LEI	Goldman Sachs SICAV – Emerging Markets Total Return Bond Portfolio	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		85.06%	85.06%	85.06%		2 – Significant	85.06%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	WGDO8IK7MKKYXNCOCV40	1 – LEI	Goldman Sachs SICAV – Goldman Sachs Emerging Markets Debt Portfolio	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		23.94%	23.94%	23.94%		2 – Significant	23.94%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800ZFL26XQ7UIFU39	1 – LEI	Gresham Life Assurance Society Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800AYDR6FBO6OCF03	1 – LEI	HSBC Investment Funds – Balanced Fund	99 – Other	Open ended investment company	2 – Non-mutual		81.64%	100.00%	81.64%		1 – Dominant	81.64%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB00013	2 – Specific code	Iceni Nominees (No. 2) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800UBQ4DFJN8RR808	1 – LEI	IFSL AMR OEIC – IFSL AMR DIVERSIFIED PORTFOLIO	99 – Other	Open ended investment company	2 – Non-mutual		72.83%	100.00%	72.83%		1 – Dominant	72.83%	1 – Included in the scope		3 – Method 1: Adjusted equity method
KY	21380039CUL33ZF3UK04	1 – LEI	Ignis Private Equity Fund LP	99 – Other	Limited Partnership	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
KY	2138006EXLOU452E4658	1 – LEI	Ignis Strategic Credit Fund LP	99 – Other	Limited Partnership	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
IE	213800SH4MG4MNVECA61	1 – LEI	Ignis Strategic Solutions Funds Plc – Fundamental Strategies Fund	99 – Other	Open ended investment company	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
IE	213800TDBB718C196H58	1 – LEI	Ignis Strategic Solutions Funds plc – Systematic Strategies Fund	99 – Other	Open ended investment company	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
JE	213800PRI1Y9YF64UR32	1 – LEI	IH (Jersey) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800YSR6GTJ8MVUS19	1 – LEI	Impala Holdings Limited	5 – Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	2138001Q4BGZ3QASNG93	1 – LEI	Impala Loan Company 1 Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB00025	2 – Specific code	Inhoco 3107 Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	54930021XB8FUIOKJ932	1 – LEI	Invesco Global Targeted Returns Fund	99 – Other	Open ended investment company	2 – Non-mutual		44.27%	44.27%	44.27%		2 – Significant	44.27%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800OYKACAA223KA89	1 – LEI	Invesco Managed Growth Fund	99 – Other	Open ended investment company	2 – Non-mutual		52.21%	52.21%	52.21%		2 – Significant	52.21%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300N65CUKX4I4ZW97	1 – LEI	iShares 350 UK Equity Index Fund UK	99 – Other	Open ended investment company	2 – Non-mutual		99.46%	100.00%	99.46%		1 – Dominant	99.46%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800VG1BZO9WR4I941	1 – LEI	JANUS HENDERSON DIVERSIFIED GROWTH FUND	99 – Other	Open ended investment company	2 – Non-mutual		66.93%	66.93%	66.93%		2 – Significant	66.93%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800PZXIJUMYOXDN27	1 – LEI	Janus Henderson Global Funds – Janus Henderson Institutional Overseas Bond Fund	99 – Other	Open ended investment company	2 – Non-mutual		99.20%	100.00%	99.20%		1 – Dominant	99.20%	1 – Included in the scope		3 – Method 1: Adjusted equity method

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.6 – S.32.01.22 Undertakings in the scope of the group continued

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	2138004YB2HUL6PHSQ91	1 – LEI	Janus Henderson Institutional Global Responsible Managed Fund	99 – Other	Open ended investment company	2 – Non-mutual		31.10%	31.10%	31.10%		2 – Significant	31.10%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800BJNPIRCWGSEF97	1 – LEI	JANUS HENDERSON INSTITUTIONAL HIGH ALPHA UK EQUITY FUND	99 – Other	Authorised unit trust	2 – Non-mutual		84.56%	100.00%	84.56%		1 – Dominant	84.56%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800IJ3HKI1OZKQ289	1 – LEI	Janus Henderson Institutional Mainstream Uk Equity Trust	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800I7IK5UQW1RAB89	1 – LEI	Janus Henderson INSTITUTIONAL SHORT DURATION BOND FUND	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800SPJ66CK3GEGF30	1 – LEI	Janus Henderson Institutional Uk Equity Tracker Trust	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800TQYSHLWYSUR685	1 – LEI	JANUS HENDERSON INSTITUTIONAL UK INDEX OPPORTUNITIES FUND	99 – Other	Open ended investment company	2 – Non-mutual		58.64%	58.64%	58.64%		2 – Significant	58.64%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138006CHW6K23X8BM02	1 – LEI	Janus Henderson STRATEGIC INVESTMENT FUNDS – Janus Henderson INSTITUTIONAL ASIA PACIFIC EX JAPAN INDEX OPPORTUNITIES FUND	99 – Other	Open ended investment company	2 – Non-mutual		96.27%	100.00%	96.27%		1 – Dominant	96.27%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800GCSPYUX5TO2V30	1 – LEI	JANUS HENDERSON STRATEGIC INVESTMENT FUNDS – JANUS HENDERSON INSTITUTIONAL JAPAN INDEX OPPORTUNITIES FUND	99 – Other	Open ended investment company	2 – Non-mutual		86.79%	100.00%	86.79%		1 – Dominant	86.79%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138007DWD6A7X7FL923	1 – LEI	Janus Henderson STRATEGIC INVESTMENT FUNDS – Janus Henderson INSTITUTIONAL NORTH AMERICAN INDEX OPPORTUNITIES FUND	99 – Other	Open ended investment company	2 – Non-mutual		82.73%	100.00%	82.73%		1 – Dominant	82.73%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	213800SIJ46ILXYN8O51	1 – LEI	L&G Absolute Return Bond Plus Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		66.30%	66.30%	66.30%		2 – Significant	66.30%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800ZVSCE7L3KU6U28	1 – LEI	L&G Emerging Markets Bond Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		74.79%	74.79%	74.79%		2 – Significant	74.79%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800ND8EN47WFIAF52	1 – LEI	L&G Multi-Asset Target Return Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		40.13%	40.13%	40.13%		2 – Significant	40.13%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2306074	2 – Specific code	Laurtrust Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800NBH8PCPDVJOV48	1 – LEI	Legal & General Active Sterling Corporate Bond Fund	99 – Other	Authorised unit trust	2 – Non-mutual		31.04%	31.04%	31.04%		2 – Significant	31.04%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800I2ZF7JRQ8Q2678	1 – LEI	Legal & General Emerging Markets Government Bond (Local Currency) Index Fund	99 – Other	Authorised unit trust	2 – Non-mutual		20.86%	20.86%	20.86%		2 – Significant	20.86%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800FWBWOJEX2XZX77	1 – LEI	Legal & General Emerging Markets Government Bond USD Index Fund	99 – Other	Authorised unit trust	2 – Non-mutual		34.11%	34.11%	34.11%		2 – Significant	34.11%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800965CE5G2AP7L50	1 – LEI	Legal & General European Equity Income Fund	99 – Other	Authorised unit trust	2 – Non-mutual		86.50%	100.00%	86.50%		1 – Dominant	86.50%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800ICCVSYFHCO4857	1 – LEI	Legal & General European Index Trust	99 – Other	Authorised unit trust	2 – Non-mutual		22.28%	22.28%	22.28%		2 – Significant	22.28%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800RWJXGRPB1EDA55	1 – LEI	Legal & General Future World Sustainable UK Equity Fund	99 – Other	Authorised unit trust	2 – Non-mutual		29.75%	29.75%	29.75%		2 – Significant	29.75%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800Z93X9V2REBQV38	1 – LEI	Legal & General Growth Trust	99 – Other	Authorised unit trust	2 – Non-mutual		84.77%	100.00%	84.77%		1 – Dominant	84.77%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800YSUVVHCQVEL772	1 – LEI	Legal & General High Income Trust	99 – Other	Authorised unit trust	2 – Non-mutual		46.29%	46.29%	46.29%		2 – Significant	46.29%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800NX4TBD1QVV8S45	1 – LEI	Legal & General UK Smaller Companies Trust	99 – Other	Authorised unit trust	2 – Non-mutual		31.25%	31.25%	31.25%		2 – Significant	31.25%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800DBB4A9OPYN9154	1 – LEI	LGIM Sterling Liquidity Plus Fund	99 – Other	Open ended investment company	2 – Non-mutual		41.02%	41.02%	41.02%		2 – Significant	41.02%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800MQMHVIR9ZA1Y57	1 – LEI	London Life Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800H867B9CB2RM694	1 – LEI	London Life Trustees Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138009JDIENFDLD9M78	1 – LEI	Namulas Pension Trustees Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	21380065SBT1KWR9GL23	1 – LEI	National Provident Institution	99 – Other	Unlimited without shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800QU1FBSLX89Q242	1 – LEI	National Provident Life Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138009SCXYSOTLSXH75	1 – LEI	NM Life Trustees Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method

Appendix and additional information continued

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.6 – S.32.01.22 Undertakings in the scope of the group continued

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	213800MTFCWA4G695463	1 – LEI	NM Pensions Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB10001	2 – Specific code	North American Strategic Partners (Feeder) 2008 Limited Partnership	99 – Other	Limited Partnership	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
US	923M5RA2I1X3IO5NGM14US10000	2 – Specific code	North American Strategic Partners 2008 L.P.	99 – Other	Limited Partnership	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138009129G12OFZWC28	1 – LEI	NP Life Holdings Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
IE	635400FZ4DQUV9YONJ69	1 – LEI	NPC Management Limited	99 – Other	Company limited by shares	2 – Non-mutual		69.00%	100.00%	69.00%		1 – Dominant	69.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800UX8KICATW4FL79	1 – LEI	NPI (Printworks) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800Q3CZMOFF9OE643	1 – LEI	NPI (Westgate) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800CZWH4VG2X7HP11	1 – LEI	PA (GI) Limited	2 – Non life insurance undertaking	Company limited by shares	2 – Non-mutual	The Prudential Regulation Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	213800SHU5OGZS6PJZ19	1 – LEI	Pearl (Covent Garden) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800JH8I75Q3WBIX59	1 – LEI	Pearl (Martineau Phase 1) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800H9LDHZUVWW9F07	1 – LEI	Pearl (Martineau Phase 2) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138007DV547Q2B7MR04	1 – LEI	Phoenix ER1 Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800YXNP7NQGER8E10	1 – LEI	Phoenix Customer Care Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800YA6KBR5F6X5773	1 – LEI	Phoenix AW Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800Y7LOTDOSDNEL59	1 – LEI	Phoenix Advisers Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138005OLWBASFXB7S08	1 – LEI	Phoenix (Stockley Park) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800GRV1G4NBVR2C83	1 – LEI	Phoenix (Printworks) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800AAGWJ9I1A76T36	1 – LEI	Phoenix (Moor House 2) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800FUUJNPK8RGKI07	1 – LEI	Phoenix (Moor House 1) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138001CFOTDN3U7BM31	1 – LEI	Phoenix (Chiswick House) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800G8PY6JCXSQLC67	1 – LEI	Phoenix (Barwell 2) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800DJMETF2ALADE56	1 – LEI	Phoenix & London Assurance Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800GXSEN5TJWQMI72	1 – LEI	PGS 2 Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
IE	213800DP8RHURBWQUW31	1 – LEI	PGMS (Ireland) Limited	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
IE	213800XE94GLGH5TUQ16	1 – LEI	PGMS (Ireland) Holdings Unlimited Company	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800ZG6QXSK9G9GO74	1 – LEI	PGMS (Glasgow) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800RGEZJWU7O2EQ55	1 – LEI	Phoenix Life CA Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800YBYX8PMP3QQM09	1 – LEI	Phoenix Group CA Services Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138002CJZVH844BO431	1 – LEI	Phoenix Life CA Holdings Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138001ZOXFC79PEZS19	1 – LEI	Pearl Trustees Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800LHZHSXHFZ59970GB10001	2 – Specific code	Pearl Strategic Credit LP	99 – Other	Limited Partnership	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800V8BBPFHQH81386	1 – LEI	Pearl RLG Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800N6TMQCXMD13L87	1 – LEI	Pearl Private Equity LP	99 – Other	Limited Partnership	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800EEKY3ZQDUYKV60	1 – LEI	Pearl MP Birmingham Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.6 – S.32.01.22 Undertakings in the scope of the group continued

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	2138005INFYUNFGXD528	1 – LEI	Pearl Life Holdings Limited	5 – Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/ EC	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	213800KR6QUMTDIX5H91	1 – LEI	Pearl Group Services Limited	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	2138005IQK4DZ2N8UH82	1 – LEI	Pearl Group Secretariat Services Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138005CNV9TY74WAR28	1 – LEI	Phoenix Group Management Services Limited	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	2138002124DJU5NAJB47	1 – LEI	Pearl Group Holdings (No. 2) Limited	5 – Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/ EC	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	213800PO6LOTMSXHAP71	1 – LEI	Pearl Group Holdings (No. 1) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800F9J1GCM4FMTU87	1 – LEI	Pearl Customer Care Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	21380067P35533CPS717	1 – LEI	Pearl Assurance Group Holdings Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800NH6RYZBJ6K5C11	1 – LEI	Pearl AL Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
US	213800NASW8ZHVZ3U265	1 – LEI	Pearl (WP) Investments LLC	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800UL2ISGIL5ZYH43	1 – LEI	Pearl (Moor House) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800XBTJGEIJPJIT08	1 – LEI	Phoenix ER2 Limited	11 – Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		4 – Method 1: Sectoral rules
GB	21380039WGL689JN6E44	1 – LEI	Phoenix ER3 Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800ILIUK3NF5H7465	1 – LEI	Phoenix ER4 Limited	11 – Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		4 – Method 1: Sectoral rules
GB	2138008TTY2T2R99JH73	1 – LEI	Phoenix ER5 Limited	11 – Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		4 – Method 1: Sectoral rules
GB	2138009GKYVM1UUHJA96	1 – LEI	Phoenix ER6 Limited	11 – Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		4 – Method 1: Sectoral rules
GB	21380089ZAQLRGSTXL02	1 – LEI	Phoenix Group Capital Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800CUYV3HL17JP515	1 – LEI	Phoenix Group Employee Benefit Trust	99 – Other	Trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
KY	21380031B1D56JRCE375	1 – LEI	Phoenix Group Holdings	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method

Appendix and additional information continued

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.6 – S.32.01.22 Undertakings in the scope of the group continued

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
BM	923M5RA2I1X3IO5NGM14BM10000	2 – Specific code	Phoenix Group Holdings (Bermuda) Limited	5 – Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	2138001P49OLAEU33T68	1 – LEI	Phoenix Group Holdings plc	5 – Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	2138009BU7B91VZP2M65	1 – LEI	Phoenix Group Management Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800NDZUFCLVRMYQ89	1 – LEI	PGH CA Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
BM	923M5RA2I1X3IO5NGM14BM10001	2 – Specific code	Phoenix Holdings (Bermuda) Limited	5 – Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
IE	213800E7XPAE1UGSR105	1 – LEI	Phoenix Life Assurance Europe DAC	1 – Life insurance undertaking	Company limited by shares	2 – Non-mutual	Central Bank of Ireland	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	213800LHZHSXHFZ59970	1 – LEI	Phoenix Life Assurance Limited	1 – Life insurance undertaking	Company limited by shares	2 – Non-mutual	The Prudential Regulation Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	2138009PGTUXA25AU785	1 – LEI	Phoenix Life Holdings Limited	5 – Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	213800F8BC7QS1SGPG53	1 – LEI	Phoenix Life Limited	1 – Life insurance undertaking	Company limited by shares	2 – Non-mutual	The Prudential Regulation Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
BM	923M5RA2I1X3IO5NGM14BM10002	2 – Specific code	Phoenix Management Services (Bermuda) Limited	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
BM	923M5RA2I1X3IO5NGM14BM10003	2 – Specific code	Phoenix Management Services Holdings (Bermuda) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800KSY8FMU99DE175	1 – LEI	Phoenix Pension Scheme (Trustees) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800JTP4IW1CLE8Q08	1 – LEI	Phoenix Pensions Trustee Services Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
BM	213800Y4Q4FWW5V6RH28	1 – LEI	PHOENIX RE LIMITED	1 – Life insurance undertaking	Company limited by shares	2 – Non-mutual	Bermuda Monetary Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	213800HVX64Z6SADYQ50	1 – LEI	Phoenix SCP Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138005P7ZYYWWBCRY26	1 – LEI	Phoenix SCP Pensions Trustees Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800OHBY9DMQUET391	1 – LEI	Phoenix SCP Trustees Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800JU1AQEHLXNFB22	1 – LEI	Phoenix SL Direct Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800COYKUWIUR3SG48	1 – LEI	Phoenix SPV1 Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138003N16KHLOXD3D04	1 – LEI	Phoenix SPV2 Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800NG1JUVIV3DGS16	1 – LEI	Phoenix SPV3 Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800N5TUHIA7XVOB84	1 – LEI	Phoenix SPV4 Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800LJMZ4QEJ8AUV97	1 – LEI	Phoenix ULA Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800RUJKNJ1A9ZX173	1 – LEI	Phoenix Unit Trust Managers Limited	14 – UCITS management companies as defined in Article 1 (54) of Delegated Regulation (EU) 2015/35	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		4 – Method 1: Sectoral rules
GB	213800XE3S51YKKDFC05	1 – LEI	Phoenix Wealth Holdings Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800PSSLEQR5IDJ351	1 – LEI	Phoenix Wealth Services Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800IHCXV68Y68RU96	1 – LEI	Phoenix Wealth Trustee Services Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.6 – S.32.01.22 Undertakings in the scope of the group continued

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
SE	923M5RA2I1X3IO5NGM14SE10009	2 – Specific code	Pilangen Logistik AB	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
SE	923M5RA2I1X3IO5NGM14SE10010	2 – Specific code	Pilangen Logistik I AB	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800G3CT64T8T6RX26	1 – LEI	PUTM ACS Asia Pacific ex Japan Fund	99 – Other	Authorised unit trust	2 – Non-mutual		99.95%	100.00%	99.95%		1 – Dominant	99.95%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800PNTFTLEKWWUO82	1 – LEI	PUTM ACS Emerging Market Equity Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800HLG15CNT6KCJ73	1 – LEI	PUTM ACS European ex UK Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800DFM51OSE7C6L40	1 – LEI	PUTM ACS Japan Equity Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800MS8CUQ8LOAYB87	1 – LEI	PUTM ACS Lothian European Ex UK Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800YSS1HTQAI4SX74	1 – LEI	PUTM ACS Lothian North American Equity Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800OXPDY56B7C1M10	1 – LEI	PUTM ACS Lothian UK Gilt Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800HF5AW7BZBTC669	1 – LEI	PUTM ACS Lothian UK Listed Smaller Companies Fund	99 – Other	Authorised unit trust	2 – Non-mutual		99.99%	100.00%	99.99%		1 – Dominant	99.99%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800I2HG3FZI1BIH36	1 – LEI	PUTM ACS North American 2 Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800Q97JM5OIYWCM46	1 – LEI	PUTM ACS North American Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800LNNBA9DLDTJC72	1 – LEI	PUTM ACS Sustainable Index Asia Pacific ex Japan Equity Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800CPS2TAKZ37S747	1 – LEI	PUTM ACS Sustainable Index Emerging Markets Equity Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138009QLOGNKRBU2G17	1 – LEI	PUTM ACS Sustainable Index European Equity Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800U4P86N8XX5WV77	1 – LEI	PUTM ACS Sustainable Index Japan Equity Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800FV1FIEDK7IDS35	1 – LEI	PUTM ACS Sustainable Index UK Equity Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800GVYQ35JQ6NBR08	1 – LEI	PUTM ACS Sustainable Index US Equity Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800S1WB1JRZT3OV40	1 – LEI	PUTM ACS UK All Share Listed Equity Multi Manager Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800SS1J4CQDZ8HT64	1 – LEI	PUTM ACS US Dollar Credit Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138007GV3TM61ULD343	1 – LEI	PUTM Bothwell Asia Pacific (Excluding Japan) Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800A36R1Z1S85RR19	1 – LEI	PUTM Bothwell Emerging Market Debt Unconstrained Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800VCC5MENTKHP567	1 – LEI	PUTM Bothwell Emerging Markets Equity Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800T31U3W79HGRH81	1 – LEI	PUTM Bothwell Euro Sovereign Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800882SVHV1XPLA47	1 – LEI	PUTM Bothwell European Credit Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800XSYBULEE2E4N30	1 – LEI	PUTM Bothwell Floating Rate ABS Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138008DFTGZAKHGR525	1 – LEI	PUTM Bothwell Global Bond Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800JGHD8XCIYNWU64	1 – LEI	PUTM Bothwell Global Credit Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800FOR1Z8YSVHSW15	1 – LEI	PUTM Bothwell Index-Linked Sterling Hedged Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800KHXBLNLCG65816	1 – LEI	PUTM Bothwell Long Gilt Sterling Hedged Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800WZW92EK7G7XM97	1 – LEI	PUTM Bothwell Short Duration Credit Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800TRPZOHA5CTQT96	1 – LEI	PUTM Bothwell Sterling Credit Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800FHKCOXS82HQG65	1 – LEI	PUTM Bothwell Sterling Government Bond Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800W3AMX9O6QS6F82	1 – LEI	PUTM Bothwell Sub-Sovereign A Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800XP7PXFVTAW1H83	1 – LEI	PUTM Bothwell Tactical Asset Allocation Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.6 – S.32.01.22 Undertakings in the scope of the group continued

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	213800KH7K7YYQ7LLG85	1 – LEI	PUTM Bothwell UK Equity Income Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800YSEHZI6484YL62	1 – LEI	PUTM Bothwell Ultra Short Duration Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138004HI8MR9C7M4110	1 – LEI	PUTM Far Eastern Unit Trust	99 – Other	Authorised unit trust	2 – Non-mutual		99.64%	100.00%	99.64%		1 – Dominant	99.64%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800KPZ3IYLLF4UT85	1 – LEI	PUTM UK All-Share Index Unit Trust	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800R4RZSQBOAMVN21	1 – LEI	PUTM UK Stock Market Fund	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800AZRF8KX73WPT70	1 – LEI	PUTM UK STOCK MARKET FUND (SERIES 3)	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800G78HNMTLXI3249	1 – LEI	Quilter Investors Cirilium Balanced Blend Portfolio	99 – Other	Open ended investment company	2 – Non-mutual		37.72%	37.72%	37.72%		2 – Significant	37.72%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138007Z7QEBDARKU307	1 – LEI	Quilter Investors Ethical Equity Fund	99 – Other	Authorised unit trust	2 – Non-mutual		42.63%	42.63%	42.63%		2 – Significant	42.63%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138008DPFYG6GZP1663	1 – LEI	Quilter Investors Global Dynamic Equity Fund	99 – Other	Open ended investment company	2 – Non-mutual		87.03%	100.00%	87.03%		1 – Dominant	87.03%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493008NS84N77PXTG85	1 – LEI	Quilter Investors Global Equity Growth Fund	99 – Other	Open ended investment company	2 – Non-mutual		49.36%	49.36%	49.36%		2 – Significant	49.36%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800WOC9UMRNV45O46	1 – LEI	ReAssure Companies Services Limited	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	213800G9IQ6CXE31Y637	1 – LEI	ReAssure FS Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800UW8CON9XG6EY13	1 – LEI	ReAssure FSH UK Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300890XJXTPM3FM60	1 – LEI	ReAssure Group plc	5 – Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	5493005LF51QP7R4SS09	1 – LEI	ReAssure Life Limited	1 – Life insurance undertaking	Company limited by shares	2 – Non-mutual	The Prudential Regulation Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	213800URB5NH1X13VR38	1 – LEI	ReAssure Life Pension Trustees Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	BQYCTFWOEM1JRDE6F109	1 – LEI	ReAssure Limited	1 – Life insurance undertaking	Company limited by shares	2 – Non-mutual	The Prudential Regulation Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	213800WYM9VABFBW4H22	1 – LEI	ReAssure LL Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800JRB5W4GNWQU717	1 – LEI	ReAssure Midco Limited	5 – Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	213800BOL8WLP4I7SA44	1 – LEI	ReAssure Nominees Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138008XWGP2LK6Z9532	1 – LEI	ReAssure Pension Trustees Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800UZNVRPALQEDZ61	1 – LEI	ReAssure PM Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138006XCBKUGVOLOT84	1 – LEI	ReAssure Trustees Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800TVW97G2S3WAH16	1 – LEI	ReAssure Two Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800GYRULRXGODMH68	1 – LEI	ReAssure UK Life Assurance Company Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800V2138XI4IYEZ47	1 – LEI	ReAssure UK Services Limited	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
NL	2138005UIU35JDXXGL16	1 – LEI	Robeco – Phoenix Customized Multi Asset Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		100.00%	100.00%	100.00%		2 – Significant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	213800G3D5YDMZG9Z661	1 – LEI	Robeco QI Emerging Markets Sustainable Enhanced Index Equities II	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		100.00%	100.00%	100.00%		2 – Significant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	5493008MCS26IBRGYC26	1 – LEI	Schroder European Fund	99 – Other	Authorised unit trust	2 – Non-mutual		44.40%	44.40%	44.40%		2 – Significant	44.40%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	54930074V3C0UXHO2489	1 – LEI	Schroder Global Emerging Markets Fund	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		20.33%	20.33%	20.33%		2 – Significant	20.33%	1 – Included in the scope		3 – Method 1: Adjusted equity method

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued
Appendix 1.6 – S.32.01.22 Undertakings in the scope of the group continued

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LU	ITFMVE39JEIQ35YCI721	1 – LEI	Schroder International Selection Fund – Global Bond	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		29.67%	29.67%	29.67%		2 – Significant	29.67%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	UILX05PRFETP7OQYCX05	1 – LEI	Schroder International Selection Fund – Global Diversified Growth	99 – Other	Société d'Investissement À Capital Variable (SICAV)	2 – Non-mutual		22.20%	22.20%	22.20%		2 – Significant	22.20%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300E23SEL4CSF5X08	1 – LEI	Schroder UK Mid 250 Fund	99 – Other	Authorised unit trust	2 – Non-mutual		20.22%	20.22%	20.22%		2 – Significant	20.22%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800ZILLOABHU4ZT66	1 – LEI	Scottish Mutual Assurance Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800J33B28B2SKEF70	1 – LEI	Scottish Mutual Nominees Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800LFFJ5UNTAEZK91	1 – LEI	Scottish Mutual Pension Funds Investment Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB00032	2 – Specific code	SL (NEWCO) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800O1YBZJ7WJK2567	1 – LEI	SL Liverpool Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
BE	923M5RA2I1X3IO5NGM14BE10003	2 – Specific code	SLA Belgium No.1 SA	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
DK	923M5RA2I1X3IO5NGM14DK10027	2 – Specific code	SLA Denmark No.1 ApS	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
DK	923M5RA2I1X3IO5NGM14DK10028	2 – Specific code	SLA Denmark No.2 ApS	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	923M5RA2I1X3IO5NGM14LU10004	2 – Specific code	SLA Germany No.1 S.à.r.l.	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	923M5RA2I1X3IO5NGM14LU10005	2 – Specific code	SLA Germany No.2 S.à.r.l.	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	923M5RA2I1X3IO5NGM14LU10006	2 – Specific code	SLA Germany No.3 S.à.r.l.	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
LU	923M5RA2I1X3IO5NGM14LU10007	2 – Specific code	SLA Ireland No.1 S.à.r.l.	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
NL	923M5RA2I1X3IO5NGM14NL10008	2 – Specific code	SLA Netherlands No.1 B.V.	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB00007	2 – Specific code	SLACOM (No. 10) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB00008	2 – Specific code	SLACOM (No. 8) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB00009	2 – Specific code	SLACOM (No. 9) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800LBGGLJPIBQ4P08	1 – LEI	SLF Of Canada UK Limited	5 – Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	6997417	2 – Specific code	SLFC Services Company (UK) Limited	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	923M5RA2I1X3IO5NGM14GB10013	2 – Specific code	SLIF Property Investment GP Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB10024	2 – Specific code	SLIF Property Investment LP	99 – Other	Limited Partnership	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB00036	2 – Specific code	Standard Life Agency Services Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	21380067BSRUHB4X5Y24	1 – LEI	Standard Life Assets and Employee Services Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
LU	923M5RA2I1X3IO5NGM14LU10002	2 – Specific code	Standard Life Assurance (HWPF) Luxembourg S.à.r.l.	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14	1 – LEI	Standard Life Assurance Limited	1 – Life insurance undertaking	Company limited by shares	2 – Non-mutual	The Prudential Regulation Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
IE	MU1J7DTC8IC8VMFT8818	1 – LEI	Standard Life International Designated Activity Company	1 – Life insurance undertaking	Company limited by shares	2 – Non-mutual	Central Bank of Ireland	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	923M5RA2I1X3IO5NGM14GB00038	2 – Specific code	Standard Life Investment Funds Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB00085	2 – Specific code	Standard Life Investments Brent Cross LP	99 – Other	Limited Partnership	2 – Non-mutual		40.13%	40.13%	40.13%		2 – Significant	40.13%	1 – Included in the scope		3 – Method 1: Adjusted equity method
JE	923M5RA2I1X3IO5NGM14JE10020	2 – Specific code	Standard Life Investments UK Shopping Centre Trust	99 – Other	Authorised unit trust	2 – Non-mutual		40.13%	40.13%	40.13%		2 – Significant	40.13%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300CCUJ1BP6N2ZJ02	1 – LEI	Standard Life Lifetime Mortgages Limited	8 – Credit institution, investment firm and financial institution	Company limited by shares	2 – Non-mutual	Financial Conduct Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued

Appendix 1.6 – S.32.01.22 Undertakings in the scope of the group continued

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	923M5RA2I1X3IO5NGM14GB00076	2 – Specific code	Standard Life Master Trust Co. Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB10025	2 – Specific code	Standard Life Mortgages Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	RZJMLXIELM2LIX763187	1 – LEI	Standard Life Pension Funds Limited	1 – Life insurance undertaking	Company limited by guarantee	2 – Non-mutual	The Prudential Regulation Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	923M5RA2I1X3IO5NGM14GB00035	2 – Specific code	Standard Life Property Company Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800BKB33U8U4K4M34	1 – LEI	Standard Life Trustee Company Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	6354005RZ7F1M5GKNZ41	1 – LEI	Stonepeak Core Fund (Lux) SCSp	99 – Other	Limited Partnership	2 – Non-mutual		83.30%	100.00%	83.30%		1 – Dominant	83.30%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300NZ227BVL5W4E72	1 – LEI	Sun Life Assurance Company of Canada (U.K.) Limited	1 – Life insurance undertaking	Company limited by shares	2 – Non-mutual	The Prudential Regulation Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
GB	2939726	2 – Specific code	Sun Life Of Canada UK Holdings Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	2138003PPIEA27377A59	1 – LEI	SunLife Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB10014	2 – Specific code	The Heritable Securities and Mortgage Investment Association Ltd	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800696N9OI66X5I18	1 – LEI	The London Life Association Limited	99 – Other	Company limited by guarantee	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300C27RH6HRL6S840	1 – LEI	The Marks and Spencer Worldwide Managed Fund	99 – Other	Authorised unit trust	2 – Non-mutual		41.96%	41.96%	41.96%		2 – Significant	41.96%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800JRB5W4GNWQU717GB10000	2 – Specific code	The Pathe Building Management Company Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800EFHIV4NSSD3D48	1 – LEI	The Phoenix Life SCP Institution	99 – Other	Company limited by guarantee	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	213800HTOXWIQA6XQW93	1 – LEI	The Scottish Mutual Assurance Society	99 – Other	Company limited by guarantee	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
NL	923M5RA2I1X3IO5NGM14NL10015	2 – Specific code	The Standard Life Assurance Company of Europe B.V.	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300X5Q4C2T0ZY5M29	1 – LEI	Threadneedle Investment Funds ICVC – American Select Fund	99 – Other	Open ended investment company	2 – Non-mutual		22.10%	22.10%	22.10%		2 – Significant	22.10%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300FF7E6NX13QK581	1 – LEI	UBS Global Optimal Fund	99 – Other	Open ended investment company	2 – Non-mutual		78.77%	100.00%	78.77%		1 – Dominant	78.77%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GG	213800W2EAL6W37KKU59	1 – LEI	UK Commercial Property Estates Holdings Limited	99 – Other	Company limited by shares	2 – Non-mutual		43.39%	43.39%	43.39%		2 – Significant	43.39%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GG	213800DJ3JFFA1P8TS31	1 – LEI	UK Commercial Property Estates Limited	99 – Other	Company limited by shares	2 – Non-mutual		43.39%	43.39%	43.39%		2 – Significant	43.39%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GG	213800E9M829ZMVVKH17	1 – LEI	UK Commercial Property Finance Holdings Limited	99 – Other	Company limited by shares	2 – Non-mutual		43.39%	43.39%	43.39%		2 – Significant	43.39%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GG	213800JN4FQ1A9G8EU25	1 – LEI	UK Commercial Property REIT Limited	99 – Other	Company limited by shares	2 – Non-mutual		43.39%	43.39%	43.39%		2 – Significant	43.39%	1 – Included in the scope		3 – Method 1: Adjusted equity method
IE	54930094UY8E8IDCCQ62	1 – LEI	Vanguard Common Contractual Fund – Vanguard U.S. Equity Index Common Contractual Fund	99 – Other	Undertakings for Collective Investments in Transferable Securities	2 – Non-mutual		75.02%	75.02%	75.02%		2 – Significant	75.02%	1 – Included in the scope		3 – Method 1: Adjusted equity method
IE	549300MDMXISWZOVU902	1 – LEI	Vanguard Investment Series Plc – Vanguard Global Corporate Bond Index Fund	99 – Other	Undertakings for Collective Investments in Transferable Securities	2 – Non-mutual		35.55%	35.55%	35.55%		2 – Significant	35.55%	1 – Included in the scope		3 – Method 1: Adjusted equity method
IE	549300EE8RY08NQNJR89	1 – LEI	Vanguard Investment Series Plc – Vanguard Global Short-Term Corporate Bond Index Fund	99 – Other	Undertakings for Collective Investments in Transferable Securities	2 – Non-mutual		38.35%	38.35%	38.35%		2 – Significant	38.35%	1 – Included in the scope		3 – Method 1: Adjusted equity method
IE	549300VGYO1YXS2DPB74	1 – LEI	Vanguard Investment Series Plc – Vanguard U.K. Short-Term Investment Grade Bond Index Fund	99 – Other	Undertakings for Collective Investments in Transferable Securities	2 – Non-mutual		50.14%	50.14%	50.14%		2 – Significant	50.14%	1 – Included in the scope		3 – Method 1: Adjusted equity method
IE	549300M4MJCGIS8FCS80	1 – LEI	Vanguard Investments Common Contractual Fund – Vanguard FTSE Developed Europe ex UK Common Contractual Fund	99 – Other	Undertakings for Collective Investments in Transferable Securities	2 – Non-mutual		100.00%	100.00%	100.00%		2 – Significant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
IE	549300FENS5YZP01TK60	1 – LEI	Vanguard Investments Common Contractual Fund – Vanguard FTSE Developed World Common Contractual Fund	99 – Other	Undertakings for Collective Investments in Transferable Securities	2 – Non-mutual		43.74%	43.74%	43.74%		2 – Significant	43.74%	1 – Included in the scope		3 – Method 1: Adjusted equity method
IE	549300VBIONNT4SOOD38	1 – LEI	Vanguard Investments Common Contractual Fund – Vanguard FTSE Developed World ex UK Common Contractual Fund	99 – Other	Undertakings for Collective Investments in Transferable Securities	2 – Non-mutual		100.00%	100.00%	100.00%		2 – Significant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB00024	2 – Specific code	Vebnet (Holdings) Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB00019	2 – Specific code	Vebnet Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method

Appendix 1 – Quantitative Reporting Templates (31 December 2023) – PGH Group continued
Appendix 1.6 – S.32.01.22 Undertakings in the scope of the group continued

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	923M5RA2I1X3IO5NGM14GB00028	2 – Specific code	Welbrent Property Investment Company Limited	99 – Other	Company limited by shares	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GG	254900Q1JWJ9GIRHX184	1 – LEI	Partners Group Phoenix, L.P. Inc.	99 – Other	Limited Partnership	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	923M5RA2I1X3IO5NGM14GB10032	2 – Specific code	ESP General Partner Limited Partnership	99 – Other	Limited Partnership	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
GB	549300RCOHCZC0YLSL21	1 – LEI	Aviva Investors UK Property Feeder Trust	99 – Other	Authorised unit trust	2 – Non-mutual		100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method

Appendix 2 – Quantitative Reporting Templates (31 December 2023) – PLL

Appendix 2.1 – S.02.01.02 Balance Sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	–
Deferred tax assets	R0040	155,021
Pension benefit surplus	R0050	–
Property, plant & equipment held for own use	R0060	8,300
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**77,490,964**
Property (other than for own use)	R0080	682,935
Holdings in related undertakings, including participations	R0090	32,577,932
Equities	R0100	157,359
Equities – listed	R0110	153,943
Equities – unlisted	R0120	3,416
Bonds	R0130	40,460,315
Government Bonds	R0140	20,179,259
Corporate Bonds	R0150	15,585,635
Structured notes	R0160	134,216
Collateralised securities	R0170	4,561,205
Collective Investments Undertakings	R0180	1,650,101
Derivatives	R0190	1,905,573
Deposits other than cash equivalents	R0200	56,750
Other investments	R0210	–
Assets held for index-linked and unit-linked contracts	R0220	112,456,117
Loans and mortgages	**R0230**	**5,105,101**
Loans on policies	R0240	7,289
Loans and mortgages to individuals	R0250	–
Other loans and mortgages	R0260	5,097,812
Reinsurance recoverables from:	**R0270**	**14,721,974**
Non-life and health similar to non-life	R0280	–
Non-life excluding health	R0290	–
Health similar to non-life	R0300	–
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	4,787,991
Health similar to life	R0320	60,059
Life excluding health and index-linked and unit-linked	R0330	4,727,932
Life index-linked and unit-linked	R0340	9,933,983
Deposits to cedants	R0350	–
Insurance and intermediaries receivables	R0360	220,850
Reinsurance receivables	R0370	69,030
Receivables (trade, not insurance)	R0380	2,321,035
Own shares (held directly)	R0390	–
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	–
Cash and cash equivalents	R0410	443,138
Any other assets, not elsewhere shown	R0420	–
Total assets	**R0500**	**212,991,529**

Appendix 2 – Quantitative Reporting Templates (31 December 2023) – PLL continued
Appendix 2.1 – S.02.01.02 Balance Sheet continued

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	**R0510**	**–**
Technical provisions – non-life (excluding health)	**R0520**	**–**
Technical provisions calculated as a whole	R0530	–
Best Estimate	R0540	–
Risk margin	R0550	–
Technical provisions – health (similar to non-life)	**R0560**	**–**
Technical provisions calculated as a whole	R0570	–
Best Estimate	R0580	–
Risk margin	R0590	–
Technical provisions – life (excluding index-linked and unit-linked)	**R0600**	**69,575,617**
Technical provisions – health (similar to life)	**R0610**	**110,884**
Technical provisions calculated as a whole	R0620	–
Best estimate	R0630	110,669
Risk margin	R0640	216
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	**69,464,732**
Technical provisions calculated as a whole	R0660	–
Best Estimate	R0670	69,348,525
Risk margin	R0680	116,208
Technical provisions – index-linked and unit-linked	**R0690**	**120,700,059**
Technical provisions calculated as a whole	R0700	123,534,391
Best Estimate	R0710	(2,881,698)
Risk margin	R0720	47,366
Other technical provisions	R0730	
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	47,402
Pension benefit obligations	R0760	–
Deposits from reinsurers	R0770	2,382,538
Deferred tax liabilities	R0780	1,148,534
Derivatives	R0790	2,633,330
Debts owed to credit institutions	R0800	766,116
Financial liabilities other than debts owed to credit institutions	R0810	4,294,047
Insurance & intermediaries payables	R0820	1,085,878
Reinsurance payables	R0830	126,219
Payables (trade, not insurance)	R0840	751,502
Subordinated liabilities	**R0850**	**–**
Subordinated liabilities not in Basic Own Funds	R0860	–
Subordinated liabilities in Basic Own Funds	R0870	–
Any other liabilities, not elsewhere shown	R0880	–
Total liabilities	**R0900**	**203,511,243**

Excess of assets over liabilities	**R1000**	**9,480,286**

Appendix 2 – Quantitative Reporting Templates (31 December 2023) – PLL continued

Appendix 2.2 – S.05.01.02 Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	10,939	59,463	4,916,178	7,133,040	–	–	1	215,597	**12,335,219**
Reinsurers' share	R1420	367	3,047	590,380	2,031,686	–	–	–	46,427	**2,671,908**
Net	**R1500**	**10,573**	**56,417**	**4,325,798**	**5,101,354**	**–**	**–**	**1**	**169,170**	**9,663,311**
Premiums earned										
Gross	R1510	10,939	59,463	4,916,178	7,133,040	–	–	1	215,597	**12,335,219**
Reinsurers' share	R1520	367	3,047	590,380	2,031,686	–	–	–	46,427	**2,671,908**
Net	**R1600**	**10,573**	**56,417**	**4,325,798**	**5,101,354**	**–**	**–**	**1**	**169,170**	**9,663,311**
Claims incurred										
Gross	R1610	20,137	1,136,124	4,310,531	2,217,938	–	–	291	495,896	**8,180,918**
Reinsurers' share	R1620	13,885	71,665	508,999	1,281,044	–	–	62	40,041	**1,915,696**
Net	**R1700**	**6,252**	**1,064,459**	**3,801,532**	**936,894**	**–**	**–**	**229**	**455,855**	**6,265,222**
Changes in other technical provisions										
Gross	R1710	(10,958)	(18,967,952)	(99,241,554)	(16,243,045)	–	–	(35,042)	(11,164,758)	**(145,663,309)**
Reinsurers' share	R1720	(8,977)	133,236	(4,136,338)	(3,737,093)	–	–	–	(590,345)	**(8,339,518)**
Net	**R1800**	**(1,981)**	**(19,101,188)**	**(95,105,215)**	**(12,505,952)**	**–**	**–**	**(35,042)**	**(10,574,413)**	**(137,323,792)**
Expenses incurred	**R1900**	**6,172**	**105,267**	**322,334**	**420,608**	**–**	**–**	**–**	**25,486**	**879,867**
Other expenses	**R2500**									–
Total expenses	**R2600**									879,867

Appendix 2 – Quantitative Reporting Templates (31 December 2023) – PLL continued

Appendix 2.3 – S.12.01.02 Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	**C0210**
Technical provisions calculated as a whole	**R0010**	–	122,852,834			–			–	**681,558**	**123,534,391**	–			–	–	–
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	–	9,329,450			–			–	**609,399**	**9,938,849**	–			–	–	–
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**	25,352,388		(2,676,549)	39,876		31,709,299	1,949,808	–	**11,160,407**	**67,535,229**		76,131	–	–	35,042	**111,173**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	4,571		(8,397)	3,531		4,406,539	316,822	–	**–**	**4,723,066**		60,059	–	–	–	**60,059**
Best estimate minus recoverables from reinsurance/SPV and Finite Re – total	R0090	**25,347,817**		**(2,668,153)**	**36,345**		**27,302,760**	**1,632,986**	**–**	**11,160,407**	**62,812,162**		**16,072**	**–**	**–**	**35,042**	**51,114**
Risk Margin	**R0100**	123,571	245,303			263,265			–	**(2,977)**	**629,161**	2,083			–	1,363	**3,446**
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110	–	–			–			–	**–**	**–**	–			–	–	**–**
Best estimate	R0120	(496,648)		(225,768)	(8,649)		(239,470)	(96,025)	–	**(1,844)**	**(1,068,402)**		(312)	–	–	(192)	**(504)**
Risk margin	R0130	(82,548)	(198,082)			(175,402)			–	**(9,556)**	**(465,588)**	(5,779)			–	2,548	**(3,231)**
Technical provisions – total	**R0200**	**24,896,763**	**120,028,964**			**33,411,475**			**–**	**11,827,588**	**190,164,791**	**72,122**			**–**	**38,762**	**110,884**

Appendix 2 – Quantitative Reporting Templates (31 December 2023) – PLL continued

Appendix 2.4 – S.22.01.21 Impact of long term guarantees and transitional measures

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	190,275,676	1,537,724	–	–	3,653,294
Basic own funds	R0020	7,916,552	(883,485)	–	–	(2,849,228)
Eligible own funds to meet Solvency Capital Requirement	R0050	7,916,552	(883,485)	–	–	(2,849,228)
Solvency Capital Requirement	R0090	5,121,831	(69,933)	–	–	3,425,502
Eligible own funds to meet Minimum Capital Requirement	R0100	7,761,531	(883,485)	–	–	(2,849,228)
Minimum Capital Requirement	R0110	1,691,042	27,112	–	–	401,196

Appendix 2 – Quantitative Reporting Templates (31 December 2023) – PLL continued

Appendix 2.5 – S.23.01.01 Own funds – Solo

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	**69,088**	69,088		–	
Share premium account related to ordinary share capital	R0030	**546**	546		–	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	–	–		–	
Subordinated mutual member accounts	R0050	–		–	–	–
Surplus funds	R0070	**3,662,878**	3,662,878			
Preference shares	R0090	–		–	–	–
Share premium account related to preference shares	R0110	–		–	–	–
Reconciliation reserve	R0130	**4,029,019**	4,029,019			
Subordinated liabilities	R0140	–		–	–	–
An amount equal to the value of net deferred tax assets	R0160	**155,021**				155,021
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	–	–	–	–	–
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	–				
Deductions						
Deductions for participations in financial and credit institutions	R0230	–	–	–	–	–
Total basic own funds after deductions	**R0290**	**7,916,552**	**7,761,531**	**–**	**–**	**155,021**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	–			–	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	R0310	–			–	
Unpaid and uncalled preference shares callable on demand	R0320	–			–	–
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	–			–	–
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	–			–	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	–			–	–
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	–			–	
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	–			–	–
Other ancillary own funds	R0390	–			–	–
Total ancillary own funds	**R0400**	**–**			**–**	**–**

Appendix 2 – Quantitative Reporting Templates (31 December 2023) – PLL continued

Appendix 2.5 – S.23.01.01 Own funds – Solo continued

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	7,916,552	7,761,531	–	–	155,021
Total available own funds to meet the MCR	R0510	7,761,531	7,761,531	–	–	
Total eligible own funds to meet the SCR	R0540	7,916,552	7,761,531	–	–	155,021
Total eligible own funds to meet the MCR	R0550	7,761,531	7,761,531	–	–	
SCR	R0580	5,121,831				
MCR	R0600	1,691,042				
Ratio of Eligible own funds to SCR	R0620	154.56%				
Ratio of Eligible own funds to MCR	R0640	458.98%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	9,480,286
Own shares (held directly and indirectly)	R0710	–
Foreseeable dividends, distributions and charges	R0720	–
Other basic own fund items	R0730	3,887,533
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	1,563,735
Reconciliation reserve	R0760	4,029,019
Expected profits		
Expected profits included in future premiums (EPIFP) – Life Business	R0770	823,907
Expected profits included in future premiums (EPIFP) – Non-Life Business	R0780	–

Total Expected profits included in future premiums (EPIFP)	R0790	823,907

Appendix 2 – Quantitative Reporting Templates (31 December 2023) – PLL continued

Appendix 2.6 – S.25.03.21 Solvency Capital Requirement – for undertakings on Full Internal Models (Annual Solo)

	Unique number of component	Components description	Calculation of the Solvency Capital Requirement
	C0010	C0020	C0030
A	1031AI	Other interest rate risk – UK FI PC1 down – Insurance	186
B	1031AP	Other interest rate risk – UK FI PC1 down – Pension Scheme	–
C	1031BI	Other interest rate risk – Euro FI PC1 down – Insurance	3,736
D	1031BP	Other interest rate risk – Euro FI PC1 down – Pension Scheme	–
E	1032AI	Other interest rate risk – UK FI PC1 up – Insurance	476,266
F	1032AP	Other interest rate risk – UK FI PC1 up – Pension Scheme	–
G	1032BI	Other interest rate risk – Euro FI PC1 up – Insurance	155,894
H	1032BP	Other interest rate risk – Euro FI PC1 up – Pension Scheme	–
I	1033AI	Other interest rate risk – UK FI PC2 down – Insurance	12,398
L	1033AP	Other interest rate risk – UK FI PC2 down – Pension Scheme	–
M	1033BI	Other interest rate risk – Euro FI PC2 down – Insurance	28,470
N	1033BP	Other interest rate risk – Euro FI PC2 down – Pension Scheme	–
O	1034AI	Other interest rate risk – UK FI PC2 up – Insurance	73,041
P	1034AP	Other interest rate risk – UK FI PC2 up – Pension Scheme	–
Q	1034BI	Other interest rate risk – Euro FI PC2 up – Insurance	1,662
R	1034BP	Other interest rate risk – Euro FI PC2 up – Pension Scheme	–
S	1035AI	Other interest rate risk – UK FI PC3 down – Insurance	34,886
T	1035AP	Other interest rate risk – UK FI PC3 down – Pension Scheme	–
U	1035BI	Other interest rate risk – Euro FI PC3 down – Insurance	13,698
V	1035BP	Other interest rate risk – Euro FI PC3 down – Pension Scheme	–
Z	1036AI	Other interest rate risk – UK FI PC3 up – Insurance	6,065
AA	1036AP	Other interest rate risk – UK FI PC3 up – Pension Scheme	–
BA	1036BI	Other interest rate risk – Euro FI PC3 up – Insurance	137
CA	1036BP	Other interest rate risk – Euro FI PC3 up – Pension Scheme	–
DA	10399I	Other interest rate risk – Diversification – Insurance	(182,823)
EA	10399P	Other interest rate risk – Diversification – Pension Scheme	–
FA	10410I	Equity Price risk – Insurance	721,729
GA	10410P	Equity Price risk – Pension Scheme	–
HA	10420I	Equity Volatility risk – Insurance	774,129
IA	10420P	Equity Volatility risk – Pension Scheme	–
LA	10499I	Diversification within Equity Risk – Insurance	(557,811)
MA	10499P	Diversification within Equity Risk – Pension Scheme	–
NA	1061AI	Property risk – Commercial – Insurance	134,959
OA	1061AP	Property risk – Commercial – Pension Scheme	–
PA	1061BI	Property risk – Residential – Insurance	539,578
QA	1061BP	Property risk – Residential – Pension Scheme	–
RA	10699I	Property risk – Diversification within Property risk (106…) – Insurance	(23,332)
SA	10699P	Property risk – Diversification within Property risk (106…) – Pension Scheme	–
TA	1071AI	Spread risk – Credit spread risk financials – Insurance	1,600,607
UA	1071AP	Spread risk – Credit spread risk financials – Pension Scheme	–
VA	1071BI	Spread risk – Credit spread risk non-financials – Insurance	2,656,769
ZA	1071BP	Spread risk – Credit spread risk non-financials – Pension Scheme	–
AB	1071CI	Spread risk – Swap Spread – Insurance	675,445
BB	1071CP	Spread risk – Swap Spread – Pension Scheme	–
CB	10760I	Spread risk – liability change due to matching adjustment	(1,929,615)
DB	10799I	Spread risk – Diversification – Insurance	(372,120)
EB	10799P	Spread risk – Diversification – Pension Scheme	–
FB	10800I	Concentration risk – Insurance	–
GB	1090AI	Currency Risk – GBP & EUR currency – Insurance	123,076
HB	1090AP	Currency Risk – GBP & EUR currency – Pension Scheme	–
IB	1090BI	Currency Risk – GBP & non-EUR currencies – Insurance	222,936
LB	1090BP	Currency Risk – GBP & non-EUR currencies – Pension Scheme	–
MB	10999I	Currency risk – Diversification – Insurance	(54,629)
NB	10999P	Currency risk – Diversification – Pension Scheme	–
OB	1101AI	Other interest rate risk – UK RPI PC1 – Insurance	35,629
PB	1101AP	Other interest rate risk – UK RPI PC1 – Pension Scheme	–

Appendix 2 – Quantitative Reporting Templates (31 December 2023) – PLL continued

Appendix 2.6 – S.25.03.21 Solvency Capital Requirement – for undertakings on Full Internal Models (Annual Solo) continued

	Unique number of component	Components description	Calculation of the Solvency Capital Requirement
	C0010	C0020	C0030
QB	1101BI	Other interest rate risk – UK RPI PC2 – Insurance	13,010
RB	1101BP	Other interest rate risk – UK RPI PC2 – Pension Scheme	–
SB	1101CI	Other interest rate risk – Market RPI Swap Spread – Insurance	135,842
TB	1101CP	Other interest rate risk – Market RPI Swap Spread – Pension Scheme	–
UB	11020I	Other market risk – Swaption Volatility – Insurance	41,980
VB	11020P	Other market risk – Swaption Volatility – Pension Scheme	–
ZB	11030I	Equity risk – Equity Basis risk – Insurance	179,449
AC	11030P	Equity risk – Equity Basis risk – Pension Scheme	–
BC	11040I	Other interest rate risk – RPI Volatility Risk – Insurance	160,125
CC	11040P	Other interest rate risk – RPI Volatility Risk – Pension Scheme	–
DC	11050I	Other market risk – ERM Pre-Payments – Insurance	225,061
EC	11099I	Diversification within Other Market risks (110…) – Insurance	(364,567)
FC	11099P	Diversification within Other Market risks (110…) – Pension Scheme	–
GC	19900	Diversification within market risk – Insurance and Pension Scheme	(1,833,209)
HC	20110I	Type 1 Credit Counterparty – Internal Reinsurance – Insurance	–
IC	20110P	Type 1 Credit Counterparty – Internal Reinsurance – Pension Scheme	–
LC	20120I	Type 1 Credit Counterparty – External Reinsurance – Insurance	53,430
MC	20120P	Type 1 Credit Counterparty – External Reinsurance – Pension Scheme	–
NC	20130I	Type 1 Credit Counterparty – Derivatives – Insurance	55,211
OC	20130P	Type 1 Credit Counterparty – Derivatives – Pension Scheme	–
PC	20190I	Type 1 Credit Counterparty – Other – Insurance	81,158
QC	20190P	Type 1 Credit Counterparty – Other – Pension Scheme	–
RC	20200I	Type 2 Credit Counterparty – Insurance	121,168
SC	20200P	Type 2 Credit Counterparty – Pension Scheme	–
TC	29900I	Diversification between Type 1 and Type 2 credit counterparty risk	–
UC	30100I	Mortality risk – Insurance	332,301
VC	30210I	Longevity risk – mis-estimation risk – Insurance	835,618
ZC	30210P	Longevity risk – mis-estimation risk – Pension Scheme	–
AD	30220I	Longevity risk – trend risk – Insurance	1,271,311
BD	30220P	Longevity risk – trend risk – Pension Scheme	–
CD	30299I	Longevity risk – diversification – Insurance	(515,399)
DD	30299P	Longevity risk – diversification – Pension Scheme	–
ED	30300I	Disability-morbidity risk – Insurance	81,473
FD	30400I	Mass lapse – Dependent Persistency – Insurance	1,056,692
GD	30510I	Other lapse risk – Independent Persistency – Insurance	1,001,370
HD	30520I	Other lapse risk – Financial Guarantee Persistency – Insurance	201,369
ID	30599I	Diversification with Lapse – Insurance	(631,789)
LD	30600I	Expense risk – Company specific expense – Insurance	870,118
MD	30800I	Life catastrophe risk – Mortality & Morbidity Cat – Insurance	–
ND	39900	Diversification in life underwriting risk – Insurance & Pension Scheme	(1,908,976)
OD	40100I	Health Mortality	–
PD	40200I	Health Longevity	–
QD	40300I	Health Morbidity	–
RD	40400I	Health SLT Lapse	–
SD	40600I	Health Expense	–
TD	49900I	Diversification within health underwriting risk	–
UD	60100I	Intangible asset risk – Insurance	–
VD	70100I	Operational risk – Insurance	1,047,803
ZD	70100P	Operational risk – Pension Scheme	–
AE	80100I	Other risks – Insurance	–
BE	80100P	Other risks – Pension scheme	–
CE	80200I	Non-dynamic management actions	(61,110)
DE	80300I	Loss absorbing capacity of deferred tax	(969,053)
EE	80400I	Other adjustments – Insurance	422,760
FE	80400P	Other adjustments – Pension scheme	–

Appendix 2 – Quantitative Reporting Templates (31 December 2023) – PLL continued

Appendix 2.6 – S.25.03.21 Solvency Capital Requirement – for undertakings on Full Internal Models (Annual Solo) continued

Calculation of Solvency Capital Requirement

		C0100
Total undiversified components	R0110	7,074,111
Diversification	R0060	(1,952,279)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	–
Solvency capital requirement excluding capital add-on	**R0200**	**5,121,831**
Capital add-ons already set	R0210	–
Solvency capital requirement	**R0220**	**5,121,831**
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	(3,539,472)
Amount/estimate of the overall loss-absorbing capacity of deferred taxes	R0310	(969,053)
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	2,330,052
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	2,234,830
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	2,163,216
Diversification effects due to RFF nSCR aggregation for article 304	R0440	–

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	2 – No

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
Amount/estimate of LAC DT	R0640	(969,053)
Amount/estimate of LAC DT justified by reversion of deferred tax liabilities	R0650	(969,053)
Amount/estimate of LAC DT justified by reference to probable future taxable economic profit	R0660	–
Amount/estimate of LAC DT justified by carry back, current year	R0670	–
Amount/estimate of LAC DT justified by carry back, future years	R0680	–
Amount/estimate of Maximum LAC DT	R0690	(969,053)

Appendix 2 – Quantitative Reporting Templates (31 December 2023) – PLL continued

Appendix 2.7 – S.28.01.01 Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		Background information	
		Non-life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
MCR calculation Non Life		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	–	–
Income protection insurance and proportional reinsurance	R0030	–	–
Workers' compensation insurance and proportional reinsurance	R0040	–	–
Motor vehicle liability insurance and proportional reinsurance	R0050	–	–
Other motor insurance and proportional reinsurance	R0060	–	–
Marine, aviation and transport insurance and proportional reinsurance	R0070	–	–
Fire and other damage to property insurance and proportional reinsurance	R0080	–	–
General liability insurance and proportional reinsurance	R0090	–	–
Credit and suretyship insurance and proportional reinsurance	R0100	–	–
Legal expenses insurance and proportional reinsurance	R0110	–	–
Assistance and proportional reinsurance	R0120	–	–
Miscellaneous financial loss insurance and proportional reinsurance	R0130	–	–
Non-proportional health reinsurance	R0140	–	–
Non-proportional casualty reinsurance	R0150	–	–
Non-proportional marine, aviation and transport reinsurance	R0160	–	–
Non-proportional property reinsurance	R0170	–	–

Linear formula component for life insurance and reinsurance obligations

		Life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) total capital at risk
MCR calculation Life		C0050	C0060
Obligations with profit participation – guaranteed benefits	R0210	24,228,705	
Obligations with profit participation – future discretionary benefits	R0220	11,562,309	
Index-linked and unit-linked insurance obligations	R0230	110,720,488	
Other life (re)insurance and health (re)insurance obligations	R0240	28,878,410	
Total capital at risk for all life (re)insurance obligations	R0250		20,471,595

		MCR components	
		Non-life activities	Life activities
		C0010	C0040
MCRNL Result	R0010	–	–
MCRL Result	R0200	–	1,691,042

Overall MCR calculation		C0070
Linear MCR	R0300	1,691,042
SCR	R0310	5,121,831
MCR cap	R0320	2,304,824
MCR floor	R0330	1,280,458
Combined MCR	R0340	1,691,042
Absolute floor of the MCR	R0350	3,495
		C0070
Minimum Capital Requirement	**R0400**	**1,691,042**

Appendix 3 – Quantitative Reporting Templates (31 December 2023) – PLAL

Appendix 3.1 – S.02.01.02 Balance Sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	–
Deferred tax assets	R0040	–
Pension benefit surplus	R0050	–
Property, plant & equipment held for own use	R0060	–
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**4,325**
Property (other than for own use)	R0080	–
Holdings in related undertakings, including participations	R0090	250
Equities	R0100	–
Equities – listed	R0110	–
Equities – unlisted	R0120	–
Bonds	R0130	–
Government Bonds	R0140	–
Corporate Bonds	R0150	–
Structured notes	R0160	–
Collateralised securities	R0170	–
Collective Investments Undertakings	R0180	4,075
Derivatives	R0190	–
Deposits other than cash equivalents	R0200	–
Other investments	R0210	–
Assets held for index-linked and unit-linked contracts	R0220	–
Loans and mortgages	**R0230**	**–**
Loans on policies	R0240	–
Loans and mortgages to individuals	R0250	–
Other loans and mortgages	R0260	–
Reinsurance recoverables from:	**R0270**	**–**
Non-life and health similar to non-life	R0280	–
Non-life excluding health	R0290	–
Health similar to non-life	R0300	–
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	–
Health similar to life	R0320	–
Life excluding health and index-linked and unit-linked	R0330	–
Life index-linked and unit-linked	R0340	–
Deposits to cedants	R0350	–
Insurance and intermediaries receivables	R0360	–
Reinsurance receivables	R0370	–
Receivables (trade, not insurance)	R0380	12
Own shares (held directly)	R0390	–
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	–
Cash and cash equivalents	R0410	89
Any other assets, not elsewhere shown	R0420	–
Total assets	**R0500**	**4,426**

Appendix 3 – Quantitative Reporting Templates (31 December 2023) – PLAL continued
Appendix 3.1 – S.02.01.02 Balance Sheet continued

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	**R0510**	**–**
Technical provisions – non-life (excluding health)	**R0520**	**–**
Technical provisions calculated as a whole	R0530	–
Best Estimate	R0540	–
Risk margin	R0550	–
Technical provisions – health (similar to non-life)	**R0560**	**–**
Technical provisions calculated as a whole	R0570	–
Best Estimate	R0580	–
Risk margin	R0590	–
Technical provisions – life (excluding index-linked and unit-linked)	**R0600**	**–**
Technical provisions – health (similar to life)	**R0610**	**–**
Technical provisions calculated as a whole	R0620	–
Best estimate	R0630	–
Risk margin	R0640	–
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	**–**
Technical provisions calculated as a whole	R0660	–
Best Estimate	R0670	–
Risk margin	R0680	–
Technical provisions – index-linked and unit-linked	**R0690**	**–**
Technical provisions calculated as a whole	R0700	–
Best Estimate	R0710	–
Risk margin	R0720	–
Other technical provisions	R0730	
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	–
Pension benefit obligations	R0760	–
Deposits from reinsurers	R0770	–
Deferred tax liabilities	R0780	–
Derivatives	R0790	–
Debts owed to credit institutions	R0800	–
Financial liabilities other than debts owed to credit institutions	R0810	–
Insurance & intermediaries payables	R0820	–
Reinsurance payables	R0830	–
Payables (trade, not insurance)	R0840	–
Subordinated liabilities	**R0850**	**–**
Subordinated liabilities not in Basic Own Funds	R0860	–
Subordinated liabilities in Basic Own Funds	R0870	–
Any other liabilities, not elsewhere shown	R0880	–
Total liabilities	**R0900**	**–**

Excess of assets over liabilities	**R1000**	**4,426**

Appendix 3 – Quantitative Reporting Templates (31 December 2023) – PLAL continued

Appendix 3.2 – S.05.01.02 Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	358	20,440	3,328	87,707	–	–	–	45	**111,879**
Reinsurers' share	R1420	349	–	2,840	1,957	–	–	–	–	**5,146**
Net	**R1500**	**9**	**20,440**	**489**	**85,751**	**–**	**–**	**–**	**45**	**106,734**
Premiums earned										
Gross	R1510	358	20,440	3,328	87,707	–	–	–	45	**111,879**
Reinsurers' share	R1520	349	–	2,840	1,957	–	–	–	–	**5,146**
Net	**R1600**	**9**	**20,440**	**489**	**85,751**	**–**	**–**	**–**	**45**	**106,734**
Claims incurred										
Gross	R1610	14	463,020	129,958	164,419	–	–	–	7,088	**764,498**
Reinsurers' share	R1620	–	659	100,848	64,816	–	–	–	–	**166,323**
Net	**R1700**	**14**	**462,361**	**29,110**	**99,603**	**–**	**–**	**–**	**7,088**	**598,175**
Changes in other technical provisions										
Gross	R1710	1,985	4,302,287	1,628,090	4,824,435	–	–	–	–	**10,756,797**
Reinsurers' share	R1720	1,722	–	1,392,935	541,817	–	–	–	–	**1,936,474**
Net	**R1800**	**263**	**4,302,287**	**235,155**	**4,282,618**	**–**	**–**	**–**	**–**	**8,820,323**
Expenses incurred	**R1900**	**1**	**35,972**	**6,503**	**24,644**	**–**	**–**	**–**	**–**	**67,120**
Other expenses	**R2500**									**–**
Total expenses	**R2600**									**67,120**

Appendix 3 – Quantitative Reporting Templates (31 December 2023) – PLAL continued

Appendix 3.3 – S.23.01.01 Own funds – Solo

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	**342,109**	342,109		–	
Share premium account related to ordinary share capital	R0030	**40,716**	40,716		–	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	–	–		–	
Subordinated mutual member accounts	R0050	–		–	–	–
Surplus funds	R0070	–	–			
Preference shares	R0090	–		–	–	–
Share premium account related to preference shares	R0110	–		–	–	–
Reconciliation reserve	R0130	**(378,399)**	(378,399)			
Subordinated liabilities	R0140	–		–	–	–
An amount equal to the value of net deferred tax assets	R0160	–				–
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	–	–	–	–	–
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	–				
Deductions						
Deductions for participations in financial and credit institutions	R0230	–	–	–	–	–
Total basic own funds after deductions	**R0290**	**4,426**	**4,426**	–	–	–
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	–			–	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	R0310	–			–	
Unpaid and uncalled preference shares callable on demand	R0320	–			–	–
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	–			–	–
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	–			–	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	–			–	–
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	–			–	
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	–			–	–
Other ancillary own funds	R0390	–			–	–
Total ancillary own funds	**R0400**	–			–	–

Appendix 3 – Quantitative Reporting Templates (31 December 2023) – PLAL continued
Appendix 3.3 – S.23.01.01 Own funds – Solo continued

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	4,426	4,426	–	–	–
Total available own funds to meet the MCR	**R0510**	4,426	4,426	–	–	
Total eligible own funds to meet the SCR	**R0540**	4,426	4,426	–	–	–
Total eligible own funds to meet the MCR	**R0550**	4,426	4,426	–	–	
SCR	**R0580**	–				
MCR	**R0600**	3,495				
Ratio of Eligible own funds to SCR	**R0620**	44264139800.00%				
Ratio of Eligible own funds to MCR	**R0640**	126.66%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	4,426
Own shares (held directly and indirectly)	R0710	–
Foreseeable dividends, distributions and charges	R0720	–
Other basic own fund items	R0730	382,826
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	–
Reconciliation reserve	**R0760**	(378,399)
Expected profits		
Expected profits included in future premiums (EPIFP) – Life Business	R0770	–
Expected profits included in future premiums (EPIFP) – Non Life Business	R0780	–

Total Expected profits included in future premiums (EPIFP)	**R0790**	–

Appendix 3 – Quantitative Reporting Templates (31 December 2023) – PLAL continued

Appendix 3.4 – S.28.01.01 Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		Background information	
		Non-life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
MCR calculation Non Life		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	–	–
Income protection insurance and proportional reinsurance	R0030	–	–
Workers' compensation insurance and proportional reinsurance	R0040	–	–
Motor vehicle liability insurance and proportional reinsurance	R0050	–	–
Other motor insurance and proportional reinsurance	R0060	–	–
Marine, aviation and transport insurance and proportional reinsurance	R0070	–	–
Fire and other damage to property insurance and proportional reinsurance	R0080	–	–
General liability insurance and proportional reinsurance	R0090	–	–
Credit and suretyship insurance and proportional reinsurance	R0100	–	–
Legal expenses insurance and proportional reinsurance	R0110	–	–
Assistance and proportional reinsurance	R0120	–	–
Miscellaneous financial loss insurance and proportional reinsurance	R0130	–	–
Non-proportional health reinsurance	R0140	–	–
Non-proportional casualty reinsurance	R0150	–	–
Non-proportional marine, aviation and transport reinsurance	R0160	–	–
Non-proportional property reinsurance	R0170	–	–

Linear formula component for life insurance and reinsurance obligations

		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
MCR calculation Life		C0050	C0060
Obligations with profit participation – guaranteed benefits	R0210	–	
Obligations with profit participation – future discretionary benefits	R0220	–	
Index-linked and unit-linked insurance obligations	R0230	–	
Other life (re)insurance and health (re)insurance obligations	R0240	–	
Total capital at risk for all life (re)insurance obligations	R0250		–

		MCR components	
		Non-life activities	Life activities
		C0010	C0040
MCRNL Result	R0010	–	–
MCRL Result	R0200	–	–

Overall MCR calculation		C0070
Linear MCR	R0300	–
SCR	R0310	–
MCR cap	R0320	–
MCR floor	R0330	–
Combined MCR	R0340	–
Absolute floor of the MCR	R0350	3,495
		C0070
Minimum Capital Requirement	**R0400**	**3,495**

Appendix 4 – Quantitative Reporting Templates (31 December 2023) – SLAL

Appendix 4.1 – S.02.01.02 Balance Sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	–
Deferred tax assets	R0040	–
Pension benefit surplus	R0050	–
Property, plant & equipment held for own use	R0060	–
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**3,999**
Property (other than for own use)	R0080	–
Holdings in related undertakings, including participations	R0090	–
Equities	R0100	–
Equities – listed	R0110	–
Equities – unlisted	R0120	–
Bonds	R0130	–
Government Bonds	R0140	–
Corporate Bonds	R0150	–
Structured notes	R0160	–
Collateralised securities	R0170	–
Collective Investments Undertakings	R0180	3,999
Derivatives	R0190	–
Deposits other than cash equivalents	R0200	–
Other investments	R0210	–
Assets held for index-linked and unit-linked contracts	R0220	–
Loans and mortgages	**R0230**	**–**
Loans on policies	R0240	–
Loans and mortgages to individuals	R0250	–
Other loans and mortgages	R0260	–
Reinsurance recoverables from:	**R0270**	**250**
Non-life and health similar to non-life	R0280	–
Non-life excluding health	R0290	–
Health similar to non-life	R0300	–
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	–
Health similar to life	R0320	–
Life excluding health and index-linked and unit-linked	R0330	–
Life index-linked and unit-linked	R0340	250
Deposits to cedants	R0350	–
Insurance and intermediaries receivables	R0360	–
Reinsurance receivables	R0370	–
Receivables (trade, not insurance)	R0380	–
Own shares (held directly)	R0390	–
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	–
Cash and cash equivalents	R0410	2
Any other assets, not elsewhere shown	R0420	–
Total assets	**R0500**	**4,251**

Appendix 4 – Quantitative Reporting Templates (31 December 2023) – SLAL continued
Appendix 4.1 – S.02.01.02 Balance Sheet continued

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	**R0510**	**–**
Technical provisions – non-life (excluding health)	**R0520**	**–**
Technical provisions calculated as a whole	R0530	–
Best Estimate	R0540	–
Risk margin	R0550	–
Technical provisions – health (similar to non-life)	**R0560**	**–**
Technical provisions calculated as a whole	R0570	–
Best Estimate	R0580	–
Risk margin	R0590	–
Technical provisions – life (excluding index-linked and unit-linked)	**R0600**	**–**
Technical provisions – health (similar to life)	**R0610**	**–**
Technical provisions calculated as a whole	R0620	–
Best estimate	R0630	–
Risk margin	R0640	–
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	**–**
Technical provisions calculated as a whole	R0660	–
Best Estimate	R0670	–
Risk margin	R0680	–
Technical provisions – index-linked and unit-linked	**R0690**	**250**
Technical provisions calculated as a whole	R0700	250
Best Estimate	R0710	–
Risk margin	R0720	–
Other technical provisions	R0730	
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	–
Pension benefit obligations	R0760	–
Deposits from reinsurers	R0770	–
Deferred tax liabilities	R0780	–
Derivatives	R0790	–
Debts owed to credit institutions	R0800	–
Financial liabilities other than debts owed to credit institutions	R0810	–
Insurance & intermediaries payables	R0820	–
Reinsurance payables	R0830	–
Payables (trade, not insurance)	R0840	–
Subordinated liabilities	**R0850**	**–**
Subordinated liabilities not in Basic Own Funds	R0860	–
Subordinated liabilities in Basic Own Funds	R0870	–
Any other liabilities, not elsewhere shown	R0880	–
Total liabilities	**R0900**	**250**
Excess of assets over liabilities	**R1000**	**4,001**

Appendix 4 – Quantitative Reporting Templates (31 December 2023) – SLAL continued

Appendix 4.2 – S.05.01.02 Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	1,068	99,215	6,282,412	58,074	–	–	2	455,357	**6,896,127**
Reinsurers' share	R1420	830	2	–	8,975	–	–	–	8,561	**18,367**
Net	**R1500**	**238**	**99,214**	**6,282,412**	**49,099**	**–**	**–**	**2**	**446,796**	**6,877,760**
Premiums earned										
Gross	R1510	1,068	99,215	6,282,412	58,074	–	–	2	455,357	**6,896,127**
Reinsurers' share	R1520	830	2	–	8,975	–	–	–	8,561	**18,367**
Net	**R1600**	**238**	**99,214**	**6,282,412**	**49,099**	**–**	**–**	**2**	**446,796**	**6,877,760**
Claims incurred										
Gross	R1610	922	770,719	7,414,215	659,296	–	–	1,514	634,163	**9,480,828**
Reinsurers' share	R1620	524	–	–	246,552	–	–	199	47,261	**294,535**
Net	**R1700**	**398**	**770,719**	**7,414,215**	**412,744**	**–**	**–**	**1,315**	**586,902**	**9,186,292**
Changes in other technical provisions										
Gross	R1710	6,369	12,872,519	88,754,802	8,213,648	–	–	36,631	12,246,462	**122,130,432**
Reinsurers' share	R1720	4,772	–	2,149,032	2,281,626	–	–	–	625,652	**5,061,082**
Net	**R1800**	**1,597**	**12,872,519**	**86,605,770**	**5,932,022**	**–**	**–**	**36,631**	**11,620,810**	**117,069,350**
Expenses incurred	**R1900**	**137**	**84,215**	**287,466**	**39,007**	**–**	**–**	**–**	**51,028**	**461,853**
Other expenses	**R2500**									–
Total expenses	**R2600**									461,853

Appendix 4 – Quantitative Reporting Templates (31 December 2023) – SLAL continued

Appendix 4.3 – S.12.01.02 Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	**R0010**	–	**250**			–			–	–	**250**	–			–	–	–
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	–	250			–			–	–	**250**	–			–	–	–
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**	–		–	–		–	–	–	–	–		–	–	–	–	–
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	–		–	–		–	–	–	–	–		–	–	–	–	–
Best estimate minus recoverables from reinsurance/SPV and Finite Re – total	R0090	–		–	–		–	–	–	–	–		–	–	–	–	–
Risk Margin	**R0100**	–	–			–			–	–	–	–			–	–	–
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110	–	–			–			–	–	–	–			–	–	–
Best estimate	R0120	–		–	–		–	–	–	–	–		–	–	–	–	–
Risk margin	R0130	–	–			–			–	–	–	–			–	–	–
Technical provisions – total	**R0200**	–	**250**			–			–	–	**250**	–			–	–	–

Appendix 4 – Quantitative Reporting Templates (31 December 2023) – SLAL continued

Appendix 4.4 – S.23.01.01 Own Funds – Solo

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	**29,684**	29,684		–	
Share premium account related to ordinary share capital	R0030	**117,219**	117,219		–	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	–	–		–	
Subordinated mutual member accounts	R0050	–	–	–	–	–
Surplus funds	R0070	–				
Preference shares	R0090	–		–	–	–
Share premium account related to preference shares	R0110	–		–	–	–
Reconciliation reserve	R0130	**(142,902)**	(142,902)			
Subordinated liabilities	R0140	–		–	–	–
An amount equal to the value of net deferred tax assets	R0160	–				–
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	–	–	–	–	–
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	–				
Deductions						
Deductions for participations in financial and credit institutions	R0230	–	–	–	–	–
Total basic own funds after deductions	**R0290**	4,001	4,001	–	–	–
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	–			–	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	R0310	–			–	
Unpaid and uncalled preference shares callable on demand	R0320	–			–	–
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	–			–	–
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	–			–	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	–			–	–
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	–			–	
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	–			–	–
Other ancillary own funds	R0390	–			–	–
Total ancillary own funds	**R0400**	–			–	–

Appendix 4 – Quantitative Reporting Templates (31 December 2023) – SLAL continued

Appendix 4.4 – S.23.01.01 Own Funds – Solo continued

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	4,001	4,001	–	–	–
Total available own funds to meet the MCR	**R0510**	4,001	4,001	–	–	
Total eligible own funds to meet the SCR	**R0540**	4,001	4,001	–	–	–
Total eligible own funds to meet the MCR	**R0550**	4,001	4,001	–	–	
SCR	**R0580**	–				
MCR	**R0600**	3,495				
Ratio of Eligible own funds to SCR	**R0620**	40009551900.00%				
Ratio of Eligible own funds to MCR	**R0640**	114.49%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	4,001
Own shares (held directly and indirectly)	R0710	–
Foreseeable dividends, distributions and charges	R0720	–
Other basic own fund items	R0730	146,903
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	–
Reconciliation reserve	**R0760**	(142,902)
Expected profits		
Expected profits included in future premiums (EPIFP) – Life Business	R0770	–
Expected profits included in future premiums (EPIFP) – Non Life Business	R0780	–

Total Expected profits included in future premiums (EPIFP)	**R0790**	–

Appendix and additional information continued

Appendix 4 – Quantitative Reporting Templates (31 December 2023) – SLAL continued

Appendix 4.5 – S.28.01.01 Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

MCR calculation Non Life		Background information – Non-life activities: Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Background information – Non-life activities: Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	–	–
Income protection insurance and proportional reinsurance	R0030	–	–
Workers' compensation insurance and proportional reinsurance	R0040	–	–
Motor vehicle liability insurance and proportional reinsurance	R0050	–	–
Other motor insurance and proportional reinsurance	R0060	–	–
Marine, aviation and transport insurance and proportional reinsurance	R0070	–	–
Fire and other damage to property insurance and proportional reinsurance	R0080	–	–
General liability insurance and proportional reinsurance	R0090	–	–
Credit and suretyship insurance and proportional reinsurance	R0100	–	–
Legal expenses insurance and proportional reinsurance	R0110	–	–
Assistance and proportional reinsurance	R0120	–	–
Miscellaneous financial loss insurance and proportional reinsurance	R0130	–	–
Non-proportional health reinsurance	R0140	–	–
Non-proportional casualty reinsurance	R0150	–	–
Non-proportional marine, aviation and transport reinsurance	R0160	–	–
Non-proportional property reinsurance	R0170	–	–

Linear formula component for life insurance and reinsurance obligations

MCR calculation Life		Life activities: Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Life activities: Net (of reinsurance/ SPV) total capital at risk
		C0050	C0060
Obligations with profit participation – guaranteed benefits	R0210	–	
Obligations with profit participation – future discretionary benefits	R0220	–	
Index-linked and unit-linked insurance obligations	R0230	–	
Other life (re)insurance and health (re)insurance obligations	R0240	–	
Total capital at risk for all life (re)insurance obligations	R0250		–

		MCR components: Non-life activities	MCR components: Life activities
		C0010	C0040
MCRNL Result	R0010	–	–
MCRL Result	R0200	–	–

Overall MCR calculation		C0070
Linear MCR	R0300	–
SCR	R0310	–
MCR cap	R0320	–
MCR floor	R0330	–
Combined MCR	R0340	–
Absolute floor of the MCR	R0350	3,495
		C0070
Minimum Capital Requirement	**R0400**	**3,495**

Appendix 5 – Quantitative Reporting Templates (31 December 2023) – SLPF

Appendix 5.1 – S.02.01.02 Balance Sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	–
Deferred tax assets	R0040	–
Pension benefit surplus	R0050	–
Property, plant & equipment held for own use	R0060	–
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**4,120**
Property (other than for own use)	R0080	–
Holdings in related undertakings, including participations	R0090	–
Equities	R0100	–
Equities – listed	R0110	–
Equities – unlisted	R0120	–
Bonds	R0130	–
Government Bonds	R0140	–
Corporate Bonds	R0150	–
Structured notes	R0160	–
Collateralised securities	R0170	–
Collective Investments Undertakings	R0180	4,120
Derivatives	R0190	–
Deposits other than cash equivalents	R0200	–
Other investments	R0210	–
Assets held for index-linked and unit-linked contracts	R0220	–
Loans and mortgages	**R0230**	**–**
Loans on policies	R0240	–
Loans and mortgages to individuals	R0250	–
Other loans and mortgages	R0260	–
Reinsurance recoverables from:	**R0270**	**–**
Non-life and health similar to non-life	R0280	–
Non-life excluding health	R0290	–
Health similar to non-life	R0300	–
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	–
Health similar to life	R0320	–
Life excluding health and index-linked and unit-linked	R0330	–
Life index-linked and unit-linked	R0340	–
Deposits to cedants	R0350	–
Insurance and intermediaries receivables	R0360	–
Reinsurance receivables	R0370	–
Receivables (trade, not insurance)	R0380	18
Own shares (held directly)	R0390	–
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	–
Cash and cash equivalents	R0410	2
Any other assets, not elsewhere shown	R0420	–
Total assets	**R0500**	**4,140**

Appendix 5 – Quantitative Reporting Templates (31 December 2023) – SLPF continued

Appendix 5.1 – S.02.01.02 Balance Sheet continued

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	**R0510**	**–**
Technical provisions – non-life (excluding health)	**R0520**	**–**
Technical provisions calculated as a whole	R0530	–
Best Estimate	R0540	–
Risk margin	R0550	–
Technical provisions – health (similar to non-life)	**R0560**	**–**
Technical provisions calculated as a whole	R0570	–
Best Estimate	R0580	–
Risk margin	R0590	–
Technical provisions – life (excluding index-linked and unit-linked)	**R0600**	**–**
Technical provisions – health (similar to life)	**R0610**	**–**
Technical provisions calculated as a whole	R0620	–
Best estimate	R0630	–
Risk margin	R0640	–
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	**–**
Technical provisions calculated as a whole	R0660	–
Best Estimate	R0670	–
Risk margin	R0680	–
Technical provisions – index-linked and unit-linked	**R0690**	**–**
Technical provisions calculated as a whole	R0700	–
Best Estimate	R0710	–
Risk margin	R0720	–
Other technical provisions	R0730	
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	–
Pension benefit obligations	R0760	–
Deposits from reinsurers	R0770	–
Deferred tax liabilities	R0780	–
Derivatives	R0790	–
Debts owed to credit institutions	R0800	–
Financial liabilities other than debts owed to credit institutions	R0810	–
Insurance & intermediaries payables	R0820	–
Reinsurance payables	R0830	–
Payables (trade, not insurance)	R0840	–
Subordinated liabilities	**R0850**	**–**
Subordinated liabilities not in Basic Own Funds	R0860	–
Subordinated liabilities in Basic Own Funds	R0870	–
Any other liabilities, not elsewhere shown	R0880	–
Total liabilities	**R0900**	**–**

Excess of assets over liabilities	**R1000**	**4,140**

Appendix 5 – Quantitative Reporting Templates (31 December 2023) – SLPF continued

Appendix 5.2 – S.05.01.02 Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	–	–	–	–	–	–	–	–	–
Reinsurers' share	R1420	–	–	–	–	–	–	–	–	–
Net	**R1500**	–	–	–	–	–	–	–	–	–
Premiums earned										
Gross	R1510	–	–	–	–	–	–	–	–	–
Reinsurers' share	R1520	–	–	–	–	–	–	–	–	–
Net	**R1600**	–	–	–	–	–	–	–	–	–
Claims incurred										
Gross	R1610	–	–	–	368	–	–	–	–	368
Reinsurers' share	R1620	–	–	–	368	–	–	–	–	368
Net	**R1700**	–	–	–	–	–	–	–	–	–
Changes in other technical provisions										
Gross	R1710	–	–	–	6,031	–	–	–	–	6,031
Reinsurers' share	R1720	–	–	–	6,031	–	–	–	–	6,031
Net	**R1800**	–	–	–	–	–	–	–	–	–
Expenses incurred	**R1900**	–	–	–	–	–	–	–	–	–
Other expenses	**R2500**									–
Total expenses	**R2600**									–

Appendix 5 – Quantitative Reporting Templates (31 December 2023) – SLPF continued

Appendix 5.3 – S.23.01.01 Own funds – Solo

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	**50**	50		–	
Share premium account related to ordinary share capital	R0030	–	–		–	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	–	–		–	
Subordinated mutual member accounts	R0050	–		–	–	–
Surplus funds	R0070	–	–			
Preference shares	R0090	–		–	–	–
Share premium account related to preference shares	R0110	–		–	–	–
Reconciliation reserve	R0130	**4,090**	4,090			
Subordinated liabilities	R0140	–		–	–	–
An amount equal to the value of net deferred tax assets	R0160	–				–
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	–	–	–	–	–
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	–				
Deductions						
Deductions for participations in financial and credit institutions	R0230	–	–	–	–	–
Total basic own funds after deductions	**R0290**	**4,140**	**4,140**	**–**	**–**	**–**

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	–			–	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	R0310	–			–	
Unpaid and uncalled preference shares callable on demand	R0320	–			–	–
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	–			–	–
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	–			–	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	–			–	–
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	–			–	
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	–			–	–
Other ancillary own funds	R0390	–			–	–
Total ancillary own funds	**R0400**	**–**			**–**	**–**

Appendix 5 – Quantitative Reporting Templates (31 December 2023) – SLPF continued
Appendix 5.3 – S.23.01.01 Own funds – Solo continued

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	**4,140**	**4,140**	**–**	**–**	**–**
Total available own funds to meet the MCR	**R0510**	**4,140**	**4,140**	**–**	**–**	
Total eligible own funds to meet the SCR	**R0540**	**4,140**	**4,140**	**–**	**–**	**–**
Total eligible own funds to meet the MCR	**R0550**	**4,140**	**4,140**	**–**	**–**	
SCR	**R0580**	**–**				
MCR	**R0600**	**3,495**				
Ratio of Eligible own funds to SCR	**R0620**	**41399150000.00%**				
Ratio of Eligible own funds to MCR	**R0640**	**118.46%**				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	**4,140**	
Own shares (held directly and indirectly)	R0710	–	
Foreseeable dividends, distributions and charges	R0720	–	
Other basic own fund items	R0730	**50**	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	–	
Reconciliation reserve	**R0760**	**4,090**	
Expected profits			
Expected profits included in future premiums (EPIFP) – Life Business	R0770	–	
Expected profits included in future premiums (EPIFP) – Non-Life Business	R0780	–	

Total Expected profits included in future premiums (EPIFP)	**R0790**	–

Appendix 5 – Quantitative Reporting Templates (31 December 2023) – SLPF continued

Appendix 5.4 – S.28.01.01 Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		Background information	
		Non-life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
MCR calculation Non Life		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	–	–
Income protection insurance and proportional reinsurance	R0030	–	–
Workers' compensation insurance and proportional reinsurance	R0040	–	–
Motor vehicle liability insurance and proportional reinsurance	R0050	–	–
Other motor insurance and proportional reinsurance	R0060	–	–
Marine, aviation and transport insurance and proportional reinsurance	R0070	–	–
Fire and other damage to property insurance and proportional reinsurance	R0080	–	–
General liability insurance and proportional reinsurance	R0090	–	–
Credit and suretyship insurance and proportional reinsurance	R0100	–	–
Legal expenses insurance and proportional reinsurance	R0110	–	–
Assistance and proportional reinsurance	R0120	–	–
Miscellaneous financial loss insurance and proportional reinsurance	R0130	–	–
Non-proportional health reinsurance	R0140	–	–
Non-proportional casualty reinsurance	R0150	–	–
Non-proportional marine, aviation and transport reinsurance	R0160	–	–
Non-proportional property reinsurance	R0170	–	–

Linear formula component for life insurance and reinsurance obligations

		Life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) total capital at risk
MCR calculation Life		C0050	C0060
Obligations with profit participation – guaranteed benefits	R0210	–	
Obligations with profit participation – future discretionary benefits	R0220	–	
Index-linked and unit-linked insurance obligations	R0230	–	
Other life (re)insurance and health (re)insurance obligations	R0240	–	
Total capital at risk for all life (re)insurance obligations	R0250		–

		MCR components	
		Non-life activities	Life activities
		C0010	C0040
MCRNL Result	R0010	–	–
MCRL Result	R0200	–	–

Overall MCR calculation		C0070
Linear MCR	R0300	–
SCR	R0310	–
MCR cap	R0320	–
MCR floor	R0330	–
Combined MCR	R0340	–
Absolute floor of the MCR	R0350	3,495

		C0070
Minimum Capital Requirement	**R0400**	**3,495**

Appendix 6 – Quantitative Reporting Templates (31 December 2023) – RAL
Appendix 6.1 – S.02.01.02 Balance Sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	–
Deferred tax assets	R0040	–
Pension benefit surplus	R0050	–
Property, plant & equipment held for own use	R0060	3,425
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**17,704,071**
Property (other than for own use)	R0080	329,113
Holdings in related undertakings, including participations	R0090	3,059,629
Equities	R0100	2,043,093
Equities – listed	R0110	2,043,093
Equities – unlisted	R0120	–
Bonds	R0130	9,722,772
Government Bonds	R0140	2,955,757
Corporate Bonds	R0150	6,744,117
Structured notes	R0160	5,938
Collateralised securities	R0170	16,961
Collective Investments Undertakings	R0180	2,402,120
Derivatives	R0190	147,345
Deposits other than cash equivalents	R0200	–
Other investments	R0210	–
Assets held for index-linked and unit-linked contracts	R0220	32,012,597
Loans and mortgages	**R0230**	**2,801,790**
Loans on policies	R0240	1,594
Loans and mortgages to individuals	R0250	–
Other loans and mortgages	R0260	2,800,196
Reinsurance recoverables from:	**R0270**	**251,431**
Non-life and health similar to non-life	R0280	–
Non-life excluding health	R0290	–
Health similar to non-life	R0300	–
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	(129,144)
Health similar to life	R0320	–
Life excluding health and index-linked and unit-linked	R0330	(129,144)
Life index-linked and unit-linked	R0340	380,574
Deposits to cedants	R0350	–
Insurance and intermediaries receivables	R0360	108,834
Reinsurance receivables	R0370	14,315
Receivables (trade, not insurance)	R0380	410,176
Own shares (held directly)	R0390	–
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	–
Cash and cash equivalents	R0410	66,762
Any other assets, not elsewhere shown	R0420	–
Total assets	**R0500**	**53,373,402**

Appendix 6 – Quantitative Reporting Templates (31 December 2023) – RAL continued
Appendix 6.1 – S.02.01.02 Balance Sheet continued

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	**R0510**	**–**
Technical provisions – non-life (excluding health)	**R0520**	**–**
Technical provisions calculated as a whole	R0530	–
Best Estimate	R0540	–
Risk margin	R0550	–
Technical provisions – health (similar to non-life)	**R0560**	**–**
Technical provisions calculated as a whole	R0570	–
Best Estimate	R0580	–
Risk margin	R0590	–
Technical provisions – life (excluding index-linked and unit-linked)	**R0600**	**16,821,173**
Technical provisions – health (similar to life)	**R0610**	**84,731**
Technical provisions calculated as a whole	R0620	–
Best estimate	R0630	81,266
Risk margin	R0640	3,465
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	**16,736,442**
Technical provisions calculated as a whole	R0660	–
Best Estimate	R0670	16,735,543
Risk margin	R0680	899
Technical provisions – index-linked and unit-linked	**R0690**	**31,391,879**
Technical provisions calculated as a whole	R0700	32,559,750
Best Estimate	R0710	(1,168,055)
Risk margin	R0720	184
Other technical provisions	R0730	
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	6,060
Pension benefit obligations	R0760	–
Deposits from reinsurers	R0770	52,151
Deferred tax liabilities	R0780	340,627
Derivatives	R0790	324,345
Debts owed to credit institutions	R0800	97,051
Financial liabilities other than debts owed to credit institutions	R0810	242,935
Insurance & intermediaries payables	R0820	620,416
Reinsurance payables	R0830	43,337
Payables (trade, not insurance)	R0840	131,887
Subordinated liabilities	**R0850**	**–**
Subordinated liabilities not in Basic Own Funds	R0860	–
Subordinated liabilities in Basic Own Funds	R0870	–
Any other liabilities, not elsewhere shown	R0880	–
Total liabilities	**R0900**	**50,071,859**

Excess of assets over liabilities	**R1000**	**3,301,543**

Appendix 6 – Quantitative Reporting Templates (31 December 2023) – RAL continued
Appendix 6.2 – S.05.01.02 Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	18,832	43,983	505,801	140,819	–	–	–	37,456	**746,892**
Reinsurers' share	R1420	18	–	–	565,608	–	–	–	–	**565,626**
Net	**R1500**	**18,815**	**43,983**	**505,801**	**(424,789)**	**–**	**–**	**–**	**37,456**	**181,267**
Premiums earned										
Gross	R1510	18,832	43,983	505,801	140,819	–	–	–	37,456	**746,892**
Reinsurers' share	R1520	18	–	–	565,608	–	–	–	–	**565,626**
Net	**R1600**	**18,815**	**43,983**	**505,801**	**(424,789)**	**–**	**–**	**–**	**37,456**	**181,267**
Claims incurred										
Gross	R1610	16,297	874,559	3,137,034	980,104	–	–	109	5,297	**5,013,400**
Reinsurers' share	R1620	236	–	–	594,420	–	–	–	–	**594,656**
Net	**R1700**	**16,061**	**874,559**	**3,137,034**	**385,684**	**–**	**–**	**109**	**5,297**	**4,418,744**
Changes in other technical provisions										
Gross	R1710	(8,956)	361,454	38,961	631,707	–	–	39	(3,846)	**1,019,359**
Reinsurers' share	R1720	601	(199)	6,893	262,910	–	–	–	–	**270,204**
Net	**R1800**	**(9,557)**	**361,653**	**32,068**	**368,798**	**–**	**–**	**39**	**(3,846)**	**749,155**
Expenses incurred	**R1900**	**2,306**	**34,994**	**65,069**	**128,511**	**–**	**–**	**–**	**–**	**230,880**
Other expenses	**R2500**									–
Total expenses	**R2600**									**230,880**

Appendix 6 – Quantitative Reporting Templates (31 December 2023) – RAL continued

Appendix 6.3 – S.12.01.02 Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, including Unit-Linked)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	**R0010**	–	32,521,938			–			–	**37,812**	**32,559,750**	–			–	–	–
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	–	381,538			–			–	–	**381,538**	–			–	–	–
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**	8,066,499		(1,170,831)	9,104		8,551,422	243,283	–	(74,174)	**15,625,303**		81,554	–	–	3,086	**84,639**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	3,743		(216)	(748)		(132,887)	–	–	–	**(130,107)**		–	–	–	–	–
Best estimate minus recoverables from reinsurance/SPV and Finite Re – total	R0090	**8,062,755**		**(1,170,615)**	**9,852**		**8,684,309**	**243,283**	**–**	**(74,174)**	**15,755,411**		**81,554**	**–**	**–**	**3,086**	**84,639**
Risk Margin	**R0100**	13,334	75,894			**100,183**			–	**13,291**	**202,702**	3,465			–	–	**3,465**
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110	–	–			–			–	–	**–**	–			–	–	**–**
Best estimate	R0120	(10,219)		(34,356)	1,091		(14,034)	(413)	–	115	**(57,816)**		(3,255)	–	–	(119)	**(3,374)**
Risk margin	R0130	(12,443)	(75,709)			(100,176)			–	(13,291)	**(201,619)**	–			–	–	**–**
Technical provisions – total	**R0200**	**8,057,170**	**31,327,131**			**8,780,267**			**–**	**(36,247)**	**48,128,321**	**81,764**			**–**	**2,967**	**84,731**

Appendix 6 – Quantitative Reporting Templates (31 December 2023) – RAL continued

Appendix 6.4 – S.22.01.21 Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	48,213,052	262,808	–	25,371	714,266
Basic own funds	R0020	2,672,248	(174,175)	–	(17,198)	(531,612)
Eligible own funds to meet Solvency Capital Requirement	R0050	2,672,248	(174,175)	–	(17,198)	(531,612)
Solvency Capital Requirement	R0090	1,341,930	57,858	–	4,568	409,558
Eligible own funds to meet Minimum Capital Requirement	R0100	2,672,248	(174,175)	–	(17,198)	(531,612)
Minimum Capital Requirement	R0110	335,482	14,465	–	1,142	102,389

Appendix 6 – Quantitative Reporting Templates (31 December 2023) – RAL continued

Appendix 6.5 – S.23.01.01 Own funds

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	**386,977**	386,977		–	
Share premium account related to ordinary share capital	R0030	**133,966**	133,966		–	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	–	–		–	
Subordinated mutual member accounts	R0050	–		–	–	–
Surplus funds	R0070	**891,198**	891,198			
Preference shares	R0090	–		–	–	–
Share premium account related to preference shares	R0110	–		–	–	–
Reconciliation reserve	R0130	**1,260,106**	1,260,106			
Subordinated liabilities	R0140	–		–	–	–
An amount equal to the value of net deferred tax assets	R0160	**0**				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	–	–	–	–	–
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	–				
Deductions						
Deductions for participations in financial and credit institutions	R0230	–	–	–	–	–
Total basic own funds after deductions	**R0290**	**2,672,248**	**2,672,248**	**–**	**–**	**0**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	–			–	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	R0310	–			–	
Unpaid and uncalled preference shares callable on demand	R0320	–			–	–
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	–			–	–
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	–			–	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	–			–	–
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	–			–	
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	–			–	–
Other ancillary own funds	R0390	–			–	–
Total ancillary own funds	**R0400**	–			–	–

Appendix 6 – Quantitative Reporting Templates (31 December 2023) – RAL continued

Appendix 6.5 – S.23.01.01 Own funds continued

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	2,672,248	2,672,248	–	–	0
Total available own funds to meet the MCR	R0510	2,672,248	2,672,248	–	–	
Total eligible own funds to meet the SCR	R0540	2,672,248	2,672,248	–	–	–
Total eligible own funds to meet the MCR	R0550	2,672,248	2,672,248	–	–	
SCR	R0580	1,341,930				
MCR	R0600	335,482				
Ratio of Eligible own funds to SCR	R0620	199.13%				
Ratio of Eligible own funds to MCR	R0640	796.54%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	3,301,543
Own shares (held directly and indirectly)	R0710	–
Foreseeable dividends, distributions and charges	R0720	–
Other basic own fund items	R0730	1,412,141
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	629,295
Reconciliation reserve	**R0760**	**1,260,106**
Expected profits		
Expected profits included in future premiums (EPIFP) – Life Business	R0770	425,115
Expected profits included in future premiums (EPIFP) – Non-life business	R0780	–
Total Expected profits included in future premiums (EPIFP)	**R0790**	**425,115**

Appendix 6 – Quantitative Reporting Templates (31 December 2023) – RAL continued

Appendix 6.6 – S.25.01.21 Solvency Capital Requirement – for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	1,087,060		–
Counterparty default risk	R0020	12,708		
Life underwriting risk	R0030	848,692	–	–
Health underwriting risk	R0040	9,782	–	–
Non-life underwriting risk	R0050	–	–	–
Diversification	R0060	(413,783)		
Intangible asset risk	R0070	–		
Basic Solvency Capital Requirement	**R0100**	**1,544,459**		

Calculation of Solvency Capital Requirement

		C0100
Operational risk	R0130	110,967
Loss-absorbing capacity of technical provisions	R0140	(290,954)
Loss-absorbing capacity of deferred taxes	R0150	(305,429)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	–
Solvency capital requirement excluding capital add-on	R0200	1,341,930
Capital add-on already set	**R0210**	–
Solvency capital requirement	R0220	1,341,930
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	–
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	576,937
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	184,505
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	580,488
Diversification effects due to RFF nSCR aggregation for article 304	R0440	–

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	2 – No

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	R0640	(305,429)
LAC DT justified by reversion of deferred tax liabilities	R0650	(305,429)
LAC DT justified by reference to probable future taxable economic profit	R0660	–
LAC DT justified by carry back, current year	R0670	–
LAC DT justified by carry back, future years	R0680	–
Maximum LAC DT	R0690	(305,429)

Appendix 6 – Quantitative Reporting Templates (31 December 2023) – RAL continued

Appendix 6.7 – S.28.01.01 Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		Non-life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
MCR calculation Non Life		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	–	–
Income protection insurance and proportional reinsurance	R0030	–	–
Workers' compensation insurance and proportional reinsurance	R0040	–	–
Motor vehicle liability insurance and proportional reinsurance	R0050	–	–
Other motor insurance and proportional reinsurance	R0060	–	–
Marine, aviation and transport insurance and proportional reinsurance	R0070	–	–
Fire and other damage to property insurance and proportional reinsurance	R0080	–	–
General liability insurance and proportional reinsurance	R0090	–	–
Credit and suretyship insurance and proportional reinsurance	R0100	–	–
Legal expenses insurance and proportional reinsurance	R0110	–	–
Assistance and proportional reinsurance	R0120	–	–
Miscellaneous financial loss insurance and proportional reinsurance	R0130	–	–
Non-proportional health reinsurance	R0140	–	–
Non-proportional casualty reinsurance	R0150	–	–
Non-proportional marine, aviation and transport reinsurance	R0160	–	–
Non-proportional property reinsurance	R0170	–	–

Linear formula component for life insurance and reinsurance obligations

		Life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) total capital at risk
MCR calculation Life		C0050	C0060
Obligations with profit participation – guaranteed benefits	R0210	3,557,620	
Obligations with profit participation – future discretionary benefits	R0220	4,529,412	
Index-linked and unit-linked insurance obligations	R0230	31,011,121	
Other life (re)insurance and health (re)insurance obligations	R0240	8,964,910	
Total capital at risk for all life (re)insurance obligations	R0250		10,466,470

		Non-life activities	Life activities
		C0010	C0040
MCRNL Result	R0010	–	–
MCRL Result	R0200	–	308,770

Overall MCR calculation		C0070
Linear MCR	R0300	308,770
SCR	R0310	1,341,930
MCR cap	R0320	603,868
MCR floor	R0330	335,482
Combined MCR	R0340	335,482
Absolute floor of the MCR	R0350	3,495
		C0070
Minimum Capital Requirement	**R0400**	**335,482**

Appendix 7 – Quantitative Reporting Templates (31 December 2023) – RLL

Appendix 7.1 – S.02.01.02 Balance Sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	–
Deferred tax assets	R0040	–
Pension benefit surplus	R0050	–
Property, plant & equipment held for own use	R0060	–
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**334,954**
Property (other than for own use)	R0080	–
Holdings in related undertakings, including participations	R0090	7
Equities	R0100	–
Equities – listed	R0110	–
Equities – unlisted	R0120	–
Bonds	R0130	60,193
Government Bonds	R0140	60,193
Corporate Bonds	R0150	–
Structured notes	R0160	–
Collateralised securities	R0170	–
Collective Investments Undertakings	R0180	274,754
Derivatives	R0190	–
Deposits other than cash equivalents	R0200	–
Other investments	R0210	–
Assets held for index-linked and unit-linked contracts	R0220	5,591,502
Loans and mortgages	**R0230**	**208,311**
Loans on policies	R0240	–
Loans and mortgages to individuals	R0250	–
Other loans and mortgages	R0260	208,311
Reinsurance recoverables from:	**R0270**	**233,750**
Non-life and health similar to non-life	R0280	–
Non-life excluding health	R0290	–
Health similar to non-life	R0300	–
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	483,481
Health similar to life	R0320	(5,641)
Life excluding health and index-linked and unit-linked	R0330	489,122
Life index-linked and unit-linked	R0340	(249,730)
Deposits to cedants	R0350	–
Insurance and intermediaries receivables	R0360	217
Reinsurance receivables	R0370	30,269
Receivables (trade, not insurance)	R0380	20,739
Own shares (held directly)	R0390	–
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	–
Cash and cash equivalents	R0410	9,241
Any other assets, not elsewhere shown	R0420	–
Total assets	**R0500**	**6,428,983**

Appendix 7 – Quantitative Reporting Templates (31 December 2023) – RLL continued
Appendix 7.1 – S.02.01.02 Balance Sheet continued

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	**R0510**	**–**
Technical provisions – non-life (excluding health)	**R0520**	**–**
Technical provisions calculated as a whole	R0530	–
Best Estimate	R0540	–
Risk margin	R0550	–
Technical provisions – health (similar to non-life)	**R0560**	**–**
Technical provisions calculated as a whole	R0570	–
Best Estimate	R0580	–
Risk margin	R0590	–
Technical provisions – life (excluding index-linked and unit-linked)	**R0600**	**487,968**
Technical provisions – health (similar to life)	**R0610**	**(1,154)**
Technical provisions calculated as a whole	R0620	4,427
Best estimate	R0630	(5,641)
Risk margin	R0640	60
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	**489,122**
Technical provisions calculated as a whole	R0660	–
Best Estimate	R0670	489,122
Risk margin	R0680	–
Technical provisions – index-linked and unit-linked	**R0690**	**5,312,852**
Technical provisions calculated as a whole	R0700	5,560,772
Best Estimate	R0710	(249,730)
Risk margin	R0720	1,810
Other technical provisions	R0730	
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	434
Pension benefit obligations	R0760	–
Deposits from reinsurers	R0770	–
Deferred tax liabilities	R0780	58,052
Derivatives	R0790	–
Debts owed to credit institutions	R0800	6,040
Financial liabilities other than debts owed to credit institutions	R0810	7
Insurance & intermediaries payables	R0820	135,094
Reinsurance payables	R0830	117,141
Payables (trade, not insurance)	R0840	48,043
Subordinated liabilities	**R0850**	**–**
Subordinated liabilities not in Basic Own Funds	R0860	–
Subordinated liabilities in Basic Own Funds	R0870	–
Any other liabilities, not elsewhere shown	R0880	–
Total liabilities	**R0900**	**6,165,631**
Excess of assets over liabilities	**R1000**	**263,352**

Appendix 7 – Quantitative Reporting Templates (31 December 2023) – RLL continued

Appendix 7.2 – S.05.01.02 Premiums, claims and expenses by Line of Business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	9,835	–	105,674	54,591	–	–	–	659	**170,758**
Reinsurers' share	R1420	6,352	–	24,118	84,268	–	–	–	–	**114,738**
Net	**R1500**	**3,483**	**–**	**81,555**	**(29,677)**	**–**	**–**	**–**	**659**	**56,019**
Premiums earned										
Gross	R1510	9,835	–	105,674	54,591	–	–	–	659	**170,758**
Reinsurers' share	R1520	6,352	–	24,118	84,268	–	–	–	–	**114,738**
Net	**R1600**	**3,483**	**–**	**81,555**	**(29,677)**	**–**	**–**	**–**	**659**	**56,019**
Claims incurred										
Gross	R1610	2,730	–	706,916	32,039	–	–	–	10,004	**751,689**
Reinsurers' share	R1620	–	–	32,448	30,718	–	–	–	–	**63,166**
Net	**R1700**	**2,730**	**–**	**674,468**	**1,321**	**–**	**–**	**–**	**10,004**	**688,523**
Changes in other technical provisions										
Gross	R1710	2,302	–	180,301	40,284	–	–	(3,515)	(106,435)	**112,937**
Reinsurers' share	R1720	(1,213)	–	(3,304)	(66,151)	–	–	–	–	**(70,667)**
Net	**R1800**	**3,515**	**–**	**183,604**	**106,435**	**–**	**–**	**(3,515)**	**(106,435)**	**183,604**
Expenses incurred	**R1900**	**116**	**–**	**13,216**	**14,310**	**–**	**–**	**–**	**–**	**27,642**
Other expenses	**R2500**									**–**
Total expenses	**R2600**									**27,642**

Appendix 7 – Quantitative Reporting Templates (31 December 2023) – RLL continued

Appendix 7.3 – S.12.01.02 Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, including Unit-Linked)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	**R0010**	–	5,436,105			–			–	**124,667**	**5,560,772**	4,427			–	–	**4,427**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	–	–			–			–	–	–	–			–	–	–
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**	–		–	(249,730)		–	489,122	–		**239,392**		–	(5,641)	–	–	**(5,641)**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	–		–	(249,730)		–	489,122	–	–	**239,392**		–	(5,641)	–	–	**(5,641)**
Best estimate minus recoverables from reinsurance/SPV and Finite Re – total	R0090	**–**		**–**	**0**		**–**	**–**	**–**	**–**	**0**		**–**	**–**	**–**	**–**	**–**
Risk Margin	**R0100**	–	1,810			–			–	–	**1,810**	60			–	–	**60**
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110	–	–			–			–	–	–	–			–	–	–
Best estimate	R0120	–		–	–		–	–	–	–	–		–	–	–	–	–
Risk margin	R0130	–	–			–			–	–	–	–			–	–	–
Technical provisions – total	**R0200**	**–**	**5,188,185**			**489,122**			**–**	**124,667**	**5,801,974**	**(1,154)**			**–**	**–**	**(1,154)**

Appendix 7 – Quantitative Reporting Templates (31 December 2023) – RLL continued

Appendix 7.4 – S.23.01.01 Own funds

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	**64,456**	64,456		–	
Share premium account related to ordinary share capital	R0030	–	–		–	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	–	–		–	
Subordinated mutual member accounts	R0050	–		–	–	–
Surplus funds	R0070	–	–			
Preference shares	R0090	–		–	–	–
Share premium account related to preference shares	R0110	–		–	–	–
Reconciliation reserve	R0130	**198,896**	198,896			
Subordinated liabilities	R0140	–		–	–	–
An amount equal to the value of net deferred tax assets	R0160	–				–
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	–	–	–	–	–
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	–				
Deductions						
Deductions for participations in financial and credit institutions	R0230	–	–	–	–	–
Total basic own funds after deductions	**R0290**	263,352	263,352	–	–	–
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	–			–	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	R0310	–			–	
Unpaid and uncalled preference shares callable on demand	R0320	–			–	–
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	–			–	–
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	–			–	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	–			–	–
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	–			–	
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	–			–	–
Other ancillary own funds	R0390	–			–	–
Total ancillary own funds	**R0400**	–			–	–

Appendix 7 – Quantitative Reporting Templates (31 December 2023) – RLL continued

Appendix 7.4 – S.23.01.01 Own funds continued

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	**263,352**	**263,352**	**–**	**–**	**–**
Total available own funds to meet the MCR	**R0510**	**263,352**	**263,352**	**–**	**–**	
Total eligible own funds to meet the SCR	**R0540**	**263,352**	**263,352**	**–**	**–**	**–**
Total eligible own funds to meet the MCR	**R0550**	**263,352**	**263,352**	**–**	**–**	
SCR	**R0580**	**18,342**				
MCR	**R0600**	**8,254**				
Ratio of Eligible own funds to SCR	**R0620**	**1,435.75%**				
Ratio of Eligible own funds to MCR	**R0640**	**3,190.55%**				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	**263,352**
Own shares (held directly and indirectly)	R0710	–
Foreseeable dividends, distributions and charges	R0720	–
Other basic own fund items	R0730	**64,456**
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	–
Reconciliation reserve	**R0760**	**198,896**
Expected profits		
Expected profits included in future premiums (EPIFP) – Life Business	R0770	**76,779**
Expected profits included in future premiums (EPIFP) – Non-life business	R0780	–
Total Expected profits included in future premiums (EPIFP)	**R0790**	**76,779**

Appendix 7 – Quantitative Reporting Templates (31 December 2023) – RLL continued

Appendix 7.5 – S.25.01.21 Solvency Capital Requirement – for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	12,066		–
Counterparty default risk	R0020	3,305		
Life underwriting risk	R0030	–	–	–
Health underwriting risk	R0040	–	–	–
Non-life underwriting risk	R0050	–	–	–
Diversification	R0060	(2,088)		
Intangible asset risk	R0070	–		
Basic Solvency Capital Requirement	**R0100**	**13,284**		

Calculation of Solvency Capital Requirement

		C0100
Operational risk	R0130	7,262
Loss-absorbing capacity of technical provisions	R0140	–
Loss-absorbing capacity of deferred taxes	R0150	(2,203)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	–
Solvency capital requirement excluding capital add-on	R0200	18,342
Capital add-on already set	**R0210**	–
Solvency capital requirement	R0220	18,342
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	–
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	–
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	–
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	–
Diversification effects due to RFF nSCR aggregation for article 304	R0440	–

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	2 – No

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	R0640	(2,203)
LAC DT justified by reversion of deferred tax liabilities	R0650	(2,203)
LAC DT justified by reference to probable future taxable economic profit	R0660	–
LAC DT justified by carry back, current year	R0670	–
LAC DT justified by carry back, future years	R0680	–
Maximum LAC DT	R0690	(2,203)

Appendix 7 – Quantitative Reporting Templates (31 December 2023) – RLL continued

Appendix 7.7 – S28.01.01 Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		Non-life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
MCR calculation Non Life		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	–	–
Income protection insurance and proportional reinsurance	R0030	–	–
Workers' compensation insurance and proportional reinsurance	R0040	–	–
Motor vehicle liability insurance and proportional reinsurance	R0050	–	–
Other motor insurance and proportional reinsurance	R0060	–	–
Marine, aviation and transport insurance and proportional reinsurance	R0070	–	–
Fire and other damage to property insurance and proportional reinsurance	R0080	–	–
General liability insurance and proportional reinsurance	R0090	–	–
Credit and suretyship insurance and proportional reinsurance	R0100	–	–
Legal expenses insurance and proportional reinsurance	R0110	–	–
Assistance and proportional reinsurance	R0120	–	–
Miscellaneous financial loss insurance and proportional reinsurance	R0130	–	–
Non-proportional health reinsurance	R0140	–	–
Non-proportional casualty reinsurance	R0150	–	–
Non-proportional marine, aviation and transport reinsurance	R0160	–	–
Non-proportional property reinsurance	R0170	–	–

Linear formula component for life insurance and reinsurance obligations

		Life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) total capital at risk
MCR calculation Life		C0050	C0060
Obligations with profit participation – guaranteed benefits	R0210	–	
Obligations with profit participation – future discretionary benefits	R0220	–	
Index-linked and unit-linked insurance obligations	R0230	5,560,772	
Other life (re)insurance and health (re)insurance obligations	R0240	4,427	
Total capital at risk for all life (re)insurance obligations	R0250		–

		Non-life activities	Life activities
		C0010	C0040
MCRNL Result	R0010	–	–
MCRL Result	R0200	–	39,018

Overall MCR calculation		C0070
Linear MCR	R0300	39,018
SCR	R0310	18,342
MCR cap	R0320	8,254
MCR floor	R0330	4,586
Combined MCR	R0340	8,254
Absolute floor of the MCR	R0350	3,495
		C0070
Minimum Capital Requirement	**R0400**	**8,254**

Appendix 8 – Quantitative Reporting Templates (31 December 2023) – SLOC

Appendix 8.1 – S.02.01.02 Balance Sheet

		Solvency II value
		C0010
Assets		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	–
Deferred tax assets	R0040	6,933
Pension benefit surplus	R0050	18,437
Property, plant & equipment held for own use	R0060	283
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**2,478,952**
Property (other than for own use)	R0080	24,511
Holdings in related undertakings, including participations	R0090	511
Equities	R0100	83,595
Equities – listed	R0110	83,595
Equities – unlisted	R0120	–
Bonds	R0130	2,285,701
Government Bonds	R0140	547,644
Corporate Bonds	R0150	1,728,438
Structured notes	R0160	7,167
Collateralised securities	R0170	2,453
Collective Investments Undertakings	R0180	31,334
Derivatives	R0190	40,846
Deposits other than cash equivalents	R0200	12,454
Other investments	R0210	–
Assets held for index-linked and unit-linked contracts	R0220	5,107,357
Loans and mortgages	**R0230**	**12,821**
Loans on policies	R0240	12,821
Loans and mortgages to individuals	R0250	–
Other loans and mortgages	R0260	–
Reinsurance recoverables from:	**R0270**	**1,558,669**
Non-life and health similar to non-life	R0280	–
Non-life excluding health	R0290	–
Health similar to non-life	R0300	–
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	1,552,908
Health similar to life	R0320	–
Life excluding health and index-linked and unit-linked	R0330	1,552,908
Life index-linked and unit-linked	R0340	5,761
Deposits to cedants	R0350	–
Insurance and intermediaries receivables	R0360	62
Reinsurance receivables	R0370	15,983
Receivables (trade, not insurance)	R0380	22,867
Own shares (held directly)	R0390	–
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	–
Cash and cash equivalents	R0410	12,326
Any other assets, not elsewhere shown	R0420	–
Total assets	**R0500**	**9,234,691**

Appendix 8 – Quantitative Reporting Templates (31 December 2023) – SLOC continued

Appendix 8.1 – S.02.01.02 Balance Sheet continued

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	**R0510**	**–**
Technical provisions – non-life (excluding health)	**R0520**	**–**
Technical provisions calculated as a whole	R0530	–
Best Estimate	R0540	–
Risk margin	R0550	–
Technical provisions – health (similar to non-life)	**R0560**	**–**
Technical provisions calculated as a whole	R0570	–
Best Estimate	R0580	–
Risk margin	R0590	–
Technical provisions – life (excluding index-linked and unit-linked)	**R0600**	**2,025,835**
Technical provisions – health (similar to life)	**R0610**	**–**
Technical provisions calculated as a whole	R0620	–
Best estimate	R0630	–
Risk margin	R0640	–
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	**2,025,835**
Technical provisions calculated as a whole	R0660	–
Best Estimate	R0670	2,020,038
Risk margin	R0680	5,797
Technical provisions – index-linked and unit-linked	**R0690**	**5,087,137**
Technical provisions calculated as a whole	R0700	5,090,642
Best Estimate	R0710	(19,724)
Risk margin	R0720	16,219
Other technical provisions	R0730	
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	2,197
Pension benefit obligations	R0760	1,608
Deposits from reinsurers	R0770	1,609,750
Deferred tax liabilities	R0780	7,488
Derivatives	R0790	55,380
Debts owed to credit institutions	R0800	–
Financial liabilities other than debts owed to credit institutions	R0810	–
Insurance & intermediaries payables	R0820	111,424
Reinsurance payables	R0830	–
Payables (trade, not insurance)	R0840	35,513
Subordinated liabilities	**R0850**	**–**
Subordinated liabilities not in Basic Own Funds	R0860	–
Subordinated liabilities in Basic Own Funds	R0870	–
Any other liabilities, not elsewhere shown	R0880	–
Total liabilities	**R0900**	**8,936,331**

Excess of assets over liabilities	**R1000**	**298,360**

Appendix 8 – Quantitative Reporting Templates (31 December 2023) – SLOC

Appendix 8.2 – S.05.01.02 Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written		–	–	–	–	–	–	–	–	–
Gross	R1410	–	2,538	44,581	4,314	–	–	–	–	**51,434**
Reinsurers' share	R1420	–	16	4,339	2,010	–	–	–	–	**6,365**
Net	**R1500**	**–**	**2,523**	**40,242**	**2,305**	**–**	**–**	**–**	**–**	**45,069**
Premiums earned		–	–	–	–	–	–	–	–	–
Gross	R1510	–	2,538	44,581	4,314	–	–	–	–	**51,434**
Reinsurers' share	R1520	–	16	4,339	2,010	–	–	–	–	**6,365**
Net	**R1600**	**–**	**2,523**	**40,242**	**2,305**	**–**	**–**	**–**	**–**	**45,069**
Claims incurred		–	–	–	–	–	–	–	–	–
Gross	R1610	–	54,137	561,200	160,719	–	–	–	–	**776,056**
Reinsurers' share	R1620	–	–	8,877	146,986	–	–	–	–	**155,863**
Net	**R1700**	**–**	**54,137**	**552,323**	**13,733**	**–**	**–**	**–**	**–**	**620,193**
Changes in other technical provisions			–	–	–	–	–	–	–	–
Gross	R1710	–	38,799	249,037	18,507	–	–	–	–	**306,343**
Reinsurers' share	R1720	–	(0)	(32,725)	(61,275)	–	–	–	–	**(94,000)**
Net	**R1800**	**–**	**38,799**	**281,762**	**79,782**	**–**	**–**	**–**	**–**	**400,343**
Expenses incurred	**R1900**	**–**	**3,459**	**30,723**	**4,446**	**–**	**–**	**–**	**–**	**38,628**
Other expenses	**R2500**									–
Total expenses	**R2600**									**38,628**

Appendix 8 – Quantitative Reporting Templates (31 December 2023) – SLOC continued

Appendix 8.3 – S.12.01.02 Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, including Unit-Linked)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	**R0010**	–	5,090,642			–			–	–	**5,090,642**	–			–	–	–
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020	–	–			–			–	–	–	–			–	–	–
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**	294,882		(20,568)	844		1,528,846	195,271	–	1,038	**2,000,314**		–	–	–	–	–
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	–		4,820	941		1,540,960	11,948	–	–	**1,558,669**		–	–	–	–	–
Best estimate minus recoverables from reinsurance/SPV and Finite Re – total	R0090	**294,882**		**(25,388)**	**(97)**		**(12,114)**	**183,324**	**–**	**1,038**	**441,645**		**–**	**–**	**–**	**–**	**–**
Risk Margin	**R0100**	279	16,219			5,514			–	3	**22,015**	–			–	–	–
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110	–	–			–			–	–	–	–			–	–	–
Best estimate	R0120	–		–	–		–	–	–	–	–		–	–	–	–	–
Risk margin	R0130	–	–			–			–	–	–	–			–	–	–
Technical provisions – total	**R0200**	**295,161**	**5,087,137**			**1,729,632**			**–**	**1,042**	**7,112,972**	**–**			**–**	**–**	**–**

Appendix 8 – Quantitative Reporting Templates (31 December 2023) – SLOC

Appendix 8.4 – S.23.01.01 Own funds

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	**22,500**	22,500		–	
Share premium account related to ordinary share capital	R0030	–	–		–	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	–	–		–	
Subordinated mutual member accounts	R0050	–		–	–	–
Surplus funds	R0070	–	–			
Preference shares	R0090	–		–	–	–
Share premium account related to preference shares	R0110	–		–	–	–
Reconciliation reserve	R0130	**274,541**	274,541			
Subordinated liabilities	R0140	–		–	–	–
An amount equal to the value of net deferred tax assets	R0160	–				–
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	–	–	–	–	–
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	–				
Deductions						
Deductions for participations in financial and credit institutions	R0230	–	–	–	–	–
Total basic own funds after deductions	**R0290**	**297,041**	**297,041**	**–**	**–**	**–**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	–			–	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	R0310	–			–	
Unpaid and uncalled preference shares callable on demand	R0320	–			–	–
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	–			–	–
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	–			–	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	–			–	
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	–			–	
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	–			–	–
Other ancillary own funds	R0390	–			–	–
Total ancillary own funds	**R0400**	**–**			**–**	**–**

Appendix 8 – Quantitative Reporting Templates (31 December 2023) – SLOC

Appendix 8.4 – S.23.01.01 Own funds continued

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	297,041	297,041	–	–	–
Total available own funds to meet the MCR	**R0510**	297,041	297,041	–	–	
Total eligible own funds to meet the SCR	**R0540**	297,041	297,041	–	–	–
Total eligible own funds to meet the MCR	**R0550**	297,041	297,041	–	–	
SCR	**R0580**	174,262				
MCR	**R0600**	43,565				
Ratio of Eligible own funds to SCR	**R0620**	170.46%				
Ratio of Eligible own funds to MCR	**R0640**	681.83%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	**298,360**
Own shares (held directly and indirectly)	R0710	–
Foreseeable dividends, distributions and charges	R0720	–
Other basic own fund items	R0730	**22,500**
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	**1,319**
Reconciliation reserve	**R0760**	**274,541**
Expected profits		
Expected profits included in future premiums (EPIFP) – Life Business	R0770	**26,789**
Expected profits included in future premiums (EPIFP) – Non-life business	R0780	–
Total Expected profits included in future premiums (EPIFP)	**R0790**	**26,789**

Appendix 8 – Quantitative Reporting Templates (31 December 2023) – SLOC

Appendix 8.5 – S.25.01.21 Solvency Capital Requirement – for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	109,224		
Counterparty default risk	R0020	3,198		
Life underwriting risk	R0030	132,078	–	–
Health underwriting risk	R0040	2,381	–	–
Non-life underwriting risk	R0050	–	–	–
Diversification	R0060	(42,176)		
Intangible asset risk	R0070	–		
Basic Solvency Capital Requirement	**R0100**	**204,705**		

Calculation of Solvency Capital Requirement

		C0100
Operational risk	R0130	19,666
Loss-absorbing capacity of technical provisions	R0140	(50,110)
Loss-absorbing capacity of deferred taxes	R0150	–
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	–
Solvency capital requirement excluding capital add-on	R0200	174,262
Capital add-on already set	**R0210**	–
Solvency capital requirement	R0220	174,262
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	–
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	172,935
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	1,327
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	–
Diversification effects due to RFF nSCR aggregation for article 304	R0440	–

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	3 – not applicable

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	R0640	–
LAC DT justified by reversion of deferred tax liabilities	R0650	–
LAC DT justified by reference to probable future taxable economic profit	R0660	–
LAC DT justified by carry back, current year	R0670	–
LAC DT justified by carry back, future years	R0680	–
Maximum LAC DT	R0690	–

Appendix 8 – Quantitative Reporting Templates (31 December 2023) – SLOC

Appendix 8.6 – S.28.01.01 Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

Linear formula component for life insurance and reinsurance obligations

		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
MCR calculation Life		C0050	C0060
Obligations with profit participation – guaranteed benefits	R0210	191,875	
Obligations with profit participation – future discretionary benefits	R0220	103,007	
Index-linked and unit-linked insurance obligations	R0230	5,065,157	
Other life (re)insurance and health (re)insurance obligations	R0240	172,248	
Total capital at risk for all life (re)insurance obligations	R0250		604,529

		Non-life activities	Life activities
		C0010	C0040
MCRNL Result	R0010	–	–
MCRL Result	R0200	–	41,239

Overall MCR calculation		C0070
Linear MCR	R0300	41,239
SCR	R0310	174,262
MCR cap	R0320	78,418
MCR floor	R0330	43,565
Combined MCR	R0340	43,565
Absolute floor of the MCR	R0350	3,495
		C0070
Minimum Capital Requirement	**R0400**	**43,565**

Appendix 9 – Quantitative Reporting Templates (31 December 2023) – PA(GI)

Appendix 9.1 – S.02.01.02 Balance Sheet

Assets		Solvency II value C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	–
Deferred tax assets	R0040	–
Pension benefit surplus	R0050	–
Property, plant & equipment held for own use	R0060	–
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**7,423**
Property (other than for own use)	R0080	–
Holdings in related undertakings, including participations	R0090	–
Equities	R0100	–
Equities – listed	R0110	–
Equities – unlisted	R0120	–
Bonds	R0130	–
Government Bonds	R0140	–
Corporate Bonds	R0150	–
Structured notes	R0160	–
Collateralised securities	R0170	–
Collective Investments Undertakings	R0180	7,423
Derivatives	R0190	–
Deposits other than cash equivalents	R0200	–
Other investments	R0210	–
Assets held for index-linked and unit-linked contracts	R0220	–
Loans and mortgages	**R0230**	**–**
Loans on policies	R0240	–
Loans and mortgages to individuals	R0250	–
Other loans and mortgages	R0260	–
Reinsurance recoverables from:	**R0270**	**–**
Non-life and health similar to non-life	R0280	–
Non-life excluding health	R0290	–
Health similar to non-life	R0300	–
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	–
Health similar to life	R0320	–
Life excluding health and index-linked and unit-linked	R0330	–
Life index-linked and unit-linked	R0340	–
Deposits to cedants	R0350	–
Insurance and intermediaries receivables	R0360	–
Reinsurance receivables	R0370	–
Receivables (trade, not insurance)	R0380	36,387
Own shares (held directly)	R0390	–
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	–
Cash and cash equivalents	R0410	51
Any other assets, not elsewhere shown	R0420	–
Total assets	**R0500**	**43,861**

Appendix 9 – Quantitative Reporting Templates (31 December 2023) – PA(GI) continued

Appendix 9.1 – S.02.01.02 Balance Sheet continued

Liabilities		Solvency II value C0010
Technical provisions – non-life	**R0510**	**–**
Technical provisions – non-life (excluding health)	**R0520**	**–**
Technical provisions calculated as a whole	R0530	–
Best Estimate	R0540	–
Risk margin	R0550	–
Technical provisions – health (similar to non-life)	**R0560**	**–**
Technical provisions calculated as a whole	R0570	–
Best Estimate	R0580	–
Risk margin	R0590	–
Technical provisions – life (excluding index-linked and unit-linked)	**R0600**	**–**
Technical provisions – health (similar to life)	**R0610**	**–**
Technical provisions calculated as a whole	R0620	–
Best estimate	R0630	–
Risk margin	R0640	–
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	**–**
Technical provisions calculated as a whole	R0660	–
Best Estimate	R0670	–
Risk margin	R0680	–
Technical provisions – index-linked and unit-linked	**R0690**	**–**
Technical provisions calculated as a whole	R0700	–
Best Estimate	R0710	–
Risk margin	R0720	–
Other technical provisions	R0730	
Contingent liabilities	R0740	–
Provisions other than technical provisions	R0750	2,500
Pension benefit obligations	R0760	–
Deposits from reinsurers	R0770	–
Deferred tax liabilities	R0780	–
Derivatives	R0790	–
Debts owed to credit institutions	R0800	–
Financial liabilities other than debts owed to credit institutions	R0810	–
Insurance & intermediaries payables	R0820	–
Reinsurance payables	R0830	–
Payables (trade, not insurance)	R0840	13,051
Subordinated liabilities	**R0850**	**–**
Subordinated liabilities not in Basic Own Funds	R0860	–
Subordinated liabilities in Basic Own Funds	R0870	–
Any other liabilities, not elsewhere shown	R0880	–
Total liabilities	**R0900**	**15,551**

Excess of assets over liabilities	**R1000**	**28,310**

Appendix 9 – Quantitative Reporting Templates (31 December 2023) – PA(GI) continued

Appendix 9.2 – S.23.01.01 Own Funds

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	**3,000**	3,000		–	
Share premium account related to ordinary share capital	R0030	–	–		–	
Initial funds, members' contributions or the equivalent basic own – fund item for mutual and mutual-type undertakings	R0040	–	–		–	
Subordinated mutual member accounts	R0050	–		–	–	–
Surplus funds	R0070	–	–			
Preference shares	R0090	–		–	–	–
Share premium account related to preference shares	R0110	–		–	–	–
Reconciliation reserve	R0130	**25,310**	25,310			
Subordinated liabilities	R0140	–		–	–	–
An amount equal to the value of net deferred tax assets	R0160	–				–
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	–	–	–	–	–
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	–				
Deductions						
Deductions for participations in financial and credit institutions	R0230	–	–	–	–	–
Total basic own funds after deductions	**R0290**	**28,310**	**28,310**	**–**	**–**	**–**
		–	–	–	–	–
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	–			–	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	R0310	–			–	
Unpaid and uncalled preference shares callable on demand	R0320	–			–	–
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	–			–	–
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	–			–	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	–			–	–
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	–			–	
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	–			–	–
Other ancillary own funds	R0390	–			–	–
Total ancillary own funds	**R0400**	**–**			**–**	**–**

Appendix 9 – Quantitative Reporting Templates (31 December 2023) – PA(GI) continued

Appendix 9.2 – S.23.01.01 Own Funds continued

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	28,310	28,310	–	–	–
Total available own funds to meet the MCR	**R0510**	28,310	28,310	–	–	
Total eligible own funds to meet the SCR	**R0540**	28,310	28,310	–	–	–
Total eligible own funds to meet the MCR	**R0550**	28,310	28,310	–	–	
SCR	**R0580**	25,553				
MCR	**R0600**	6,388				
Ratio of Eligible own funds to SCR	**R0620**	110.79%				
Ratio of Eligible own funds to MCR	**R0640**	443.16%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	28,310	
Own shares (held directly and indirectly)	R0710	–	
Foreseeable dividends, distributions and charges	R0720	–	
Other basic own fund items	R0730	3,000	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	–	
Reconciliation reserve	**R0760**	25,310	
Expected profits			
Expected profits included in future premiums (EPIFP) – Life Business	R0770	–	
Expected profits included in future premiums (EPIFP) – Non-life business	R0780	–	
		–	
Total Expected profits included in future premiums (EPIFP)	**R0790**	–	

Appendix 9 – Quantitative Reporting Templates (31 December 2023) – PA(GI) continued

Appendix 9.3 – S.25.03.21 Solvency Capital Requirement – for undertakings on Full Internal Models (Annual Solo)

	Unique number of component	Components description	Calculation of the Solvency Capital Requirement
	C0010	C0020	C0030
A	70100I	Operational	25,553

Calculation of Solvency Capital Requirement

		C0100
Total undiversified components	R0110	25,553
Diversification	R0060	–
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	–
Solvency capital requirement excluding capital add-on	**R0200**	**25,553**
Capital add-ons already set	R0210	–
Solvency capital requirement	**R0220**	**25,553**
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	–
Amount/estimate of the overall loss-absorbing capacity of deferred taxes	R0310	–
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	–
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	–
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	–
Diversification effects due to RFF nSCR aggregation for article 304	R0440	–

Approach to tax rate

we seem to be missing a code here (C019?)

		Yes/No
Approach based on average tax rate	R0590	–

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
Amount/estimate of LAC DT	R0640	–
Amount/estimate of LAC DT justified by reversion of deferred tax liabilities	R0650	–
Amount/estimate of LAC DT justified by reference to probable future taxable economic profit	R0660	–
Amount/estimate of LAC DT justified by carry back, current year	R0670	–
Amount/estimate of LAC DT justified by carry back, future years	R0680	–
Amount/estimate of Maximum LAC DT	R0690	–

Appendix 9 – Quantitative Reporting Templates (31 December 2023) – PA(GI) continued

Appendix 9.4 – S.28.01.01 Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		Non-life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
MCR calculation Non Life		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	–	–
Income protection insurance and proportional reinsurance	R0030	–	–
Workers' compensation insurance and proportional reinsurance	R0040	–	–
Motor vehicle liability insurance and proportional reinsurance	R0050	–	–
Other motor insurance and proportional reinsurance	R0060	–	–
Marine, aviation and transport insurance and proportional reinsurance	R0070	–	–
Fire and other damage to property insurance and proportional reinsurance	R0080	–	–
General liability insurance and proportional reinsurance	R0090	–	–
Credit and suretyship insurance and proportional reinsurance	R0100	–	–
Legal expenses insurance and proportional reinsurance	R0110	–	–
Assistance and proportional reinsurance	R0120	–	–
Miscellaneous financial loss insurance and proportional reinsurance	R0130	–	–
Non-proportional health reinsurance	R0140	–	–
Non-proportional casualty reinsurance	R0150	–	–
Non-proportional marine, aviation and transport reinsurance	R0160	–	–
Non-proportional property reinsurance	R0170	–	–

Linear formula component for life insurance and reinsurance obligations

		Life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) total capital at risk
MCR calculation Life		C0050	C0060
Obligations with profit participation – guaranteed benefits	R0210	–	
Obligations with profit participation – future discretionary benefits	R0220	–	
Index-linked and unit-linked insurance obligations	R0230	–	
Other life (re)insurance and health (re)insurance obligations	R0240	–	
Total capital at risk for all life (re)insurance obligations	R0250		–

		Non-life activities	Life activities
		C0010	C0040
MCRNL Result	R0010	–	–
MCRL Result	R0200	–	–

Overall MCR calculation		C0070
Linear MCR	R0300	
SCR	R0310	25,553
MCR cap	R0320	11,499
MCR floor	R0330	6,388
Combined MCR	R0340	6,388
Absolute floor of the MCR	R0350	3,495

		C0070
Minimum Capital Requirement	**R0400**	**6,388**

Phoenix Group Holdings plc

Registered address
Phoenix Group Holdings plc
20 Old Bailey
London
EC4M 7AN

Registered Number
11606773

thephoenixgroup.com