Legal & General Group Plc

Solvency and Financial Condition Report

31 December 2022

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Summary

This document

This Solvency and Financial Condition Report (SFCR), produced for Legal & General Group Plc (the Group) and Legal and General Assurance Society Limited (LGAS), is a regulatory document required by the reporting and group supervision parts of the PRA Rulebook for Solvency II firms. All values are (unless otherwise stated) as at 31 December 2022.

The Group has been granted approval under a waiver from the PRA to prepare a single SFCR that contains the required information for both the overall Group and LGAS. Unless otherwise stated or separately identified, information provided in this SFCR applies equally to both the overall Group and LGAS. This waiver does not extend to Legal and General Assurance (Pension Management) Limited (PMC), and that entity continues to produce a solo SFCR. LGAS follows the Group policies and principles unless otherwise stated.

Who we are

Legal & General Group Plc is not only one of the world's largest asset managers, with assets under management of £1.2tn (2021: £1.4tn) managed on behalf of the Group and external clients, but also a leading provider of individual life cover and a market leader in managing retirement risk for pension schemes. Established in London in 1836, we have been providing insurance for our customers for over 185 years. With over 11,000 employees our purpose is to improve the lives of our customers, build a better society for the long term and create value for our shareholders.

Legal and General Assurance Society Limited is a composite insurance company authorised in the UK, whose ultimate controlling party is Legal & General Group Plc. The principal activity of LGAS is life and pensions business.

What we do

We take on pension scheme liabilities from corporate schemes. This 'pensions de-risking' gives companies greater certainty over their liabilities while providing guaranteed payments to individuals within their schemes. We help our customers accumulate pensions savings and transform them into the income they need to have a colourful retirement. We use shareholder capital to make long-term investments and attractive financial returns through investing in key sectors where there's a shortage of investment and innovation. We are the UK's number one individual life insurance provider and, in addition, the Group also provide insurance in the US.

Our strategy is driven by six growth drivers that affect everyone: ageing demographics; globalisation of asset markets; investing in the real economy; welfare reforms; technological innovation and addressing climate change. In responding to these long-term drivers, our strategic priorities are set to deliver sustainable profits as well as positive social and environmental outcomes. Our business model is aligned with our strategy, ensuring we derive maximum benefit for our stakeholders. Environmental, social and governance issues are central to our strategy and are inherent to all six growth drivers.

Our businesses

We aim to be leaders in retirement and protection solutions, investment management and capital investment. By taking a long-term approach to inclusive capitalism, our businesses work together to make a difference.

The Group is managed across business divisions rather than legal entities. We describe our business as the following four broad business areas which deliver our strategy:

Key area	What we do
Institutional retirement	We take on pension scheme liabilities from corporate schemes in both the UK and the US. This 'pensions de-risking' gives companies greater certainty over their liabilities while providing guaranteed payments to individuals within their schemes.
Retail	We help millions of people in the UK and US create brighter financial futures. We support their savings, protection, mortgage and retirement needs through our retail and workplace businesses.
Investment management	We are one of the world's leading asset managers, managing assets for internal and external clients. We are the market leader in UK defined contribution schemes.
Capital investment	Our investments across specialist commercial real estate, clean energy, housing and SME finance generate attractive shareholder returns and create alternative assets which benefit society. We are one of the UK's top ten house builders by revenue.

Our solvency position and performance

The Group's key performance and Solvency II measures as at 31 December 2022 were:

Measure	2022	2021
Adjusted operating profit (£m)	**2,523**	2,262
Eligible Own Funds (£m)	**17,229**	17,537
Solvency II Regulatory Surplus (£m)	**9,918**	8,161
Solvency II Coverage ratio on a regulatory basis	**236%**	187%

The Solvency II coverage ratio is defined as the Group's Eligible Own Funds divided by the Solvency Capital Requirement (SCR).

The Group reported a Solvency II coverage ratio of 236% at the end of 2022 (2021: 187%) which, alongside the contribution from net surplus generation (Solvency II operational surplus generation less new business strain), reflects the impact of market movements, principally from the non-economic impact of higher interest rates on the valuation of the balance sheet, partially offset by payments of the 2021 final and 2022 interim dividends (£1,116m).

Legal & General's diversified business model has delivered a consistently strong set of results and resilient balance sheet, with adjusted operating profit up 12% to £2,523m (2021: £2,262m). All four divisions are well positioned to execute on compelling structural market opportunities and collectively to deliver profitable growth over the medium and long-term:

- Legal & General Retirement Institutional (LGRI): adjusted operating profit increased by 9% to £1,257m (2021: £1,154m) underpinned by the growing scale of back-book earnings and the consistent performance of the annuity portfolio. LGRI also maintained pricing discipline and executed at higher volumes to address growing demand, writing £9,541m of global PRT (2021: £7,176m) at attractive Solvency II new business margins (8.9%), which is in line with the business long-term average.
- Legal & General Capital (LGC): adjusted operating profit increased by 10% to £509m (2021: £461m) driven by strong performance in the alternative asset portfolio, where operating profit increased to £400m (2021:

£350m). The diversified, multi-tenure housing portfolio has delivered another set of strong results, driven by CALA. Science and technology infrastructure investments through Bruntwood SciTech joint venture (JV) and Urban regeneration projects such as Sky Studios in Borehamwood continue to generate attractive returns. LGC Alternative Finance business (Pemberton) also continues to perform strongly.

- Legal & General Investment Management (LGIM) delivered lower adjusted operating profit of £340m (2021: £422m) primarily due to the impact of market movements on assets under management, which decreased by £225bn to £1,196bn since the start of the year. External net flows remained strong, increasing by 43% to £49.6bn (2021: £34.6bn). 43% of these flows were from international clients, and LGIM have seen continued growth in higher margin areas such as thematic ETFs and multi-asset. However, the positive impact of these higher margin flows has been offset by Defined Benefit flows, with clients selling higher fee-generating products to meet collateral requirements. The impact of inflation and market movements, alongside lower revenues, increased the cost income ratio to 65% (2021: 58%). LGIM is carefully balancing cost control with selective ongoing investment to modernise, diversify and internationalise.
- Retail's adjusted operating profit increased by 33% to £825m (2021: £620m). The US life insurance business saw a return to profit, driven by robust new business volumes and the benefit from reinsuring the in-force universal life book. After significant Covid-19 mortality experience over the first few months in 2022, the market continued to see elevated levels of mortality over the year, leading to claims exceeding the provision raised in 2021. The retail retirement business delivered strong new business volumes in addition to a significant prudence release from updating base mortality assumptions, and the Fintech business benefitted from valuation uplifts following successful fundraising in Salary Finance and Smartr365 over 2022.

Own Funds for both Group and LGAS incorporate the impacts of a recalculation of the Transitional Measure on Technical Provisions (TMTP) based on 31 December 2022 economic conditions. The next recalculation on a regulatory basis will be due on 31 December 2023 in line with the regulatory requirements to recalculate the TMTP every two years.

LGAS key solvency II and performance measures as at 31 December 2022 were:

Measure	2022	2021
Adjusted operating profit (£m)	**1,532**	1,894
Eligible Own Funds (£m)	**9,828**	10,016
Solvency II Surplus (£m)	**5,091**	3,551
Solvency II Coverage ratio on a regulatory basis	**207%**	155%

The £1,540m increase in Solvency II Surplus was largely due to a £1,728m decrease in Solvency Capital Requirement offset by a £188m decrease in Eligible Own Funds. The increase in capital surplus is primarily due to the impact of increased interest rates in 2022.

Further details on both the Group and LGAS's business and performance can be found in Section A: Business and Performance.

Our governance

The Group Board (the Board)

The Board's role is to lead the group, oversee its governance, and to set the tone for the Group's culture, values and ethical behaviours. The role of management is to deliver the strategy within the framework and standards set by the Board. It is the Board's responsibility to ensure we have an appropriate governance framework in place to continue to support our day-to-day operations and protect the interests of our stakeholders.

The separate board of Legal and General Assurance Society Limited (LGAS) is accountable for the long-term success of LGAS by setting strategic objectives, monitoring performance against those objectives and directly overseeing the business activities undertaken by the company, whilst operating within the framework and overall strategy defined by the Group Board. The LGAS board is led by an independent non-executive director as the board's chair and comprises two Executive Directors (the Group Chief Executive Officer and the Group Chief Financial Officer) and four bon-executive directors, including the chair.

Risk management framework

Our risk management framework supports informed risk taking by our businesses, setting out those rewarded risks to which we are prepared to be exposed and the risks that we want to avoid, together with risk limits and required standards of internal control to ensure exposures remain within our overall risk appetite.

We deploy a 'three lines of defence' risk governance model. Our operating businesses are our first line of defence, responsible for risk taking within the parameters of our risk appetite and accountable for managing risks in line with risk policies. Our second line of defence is our risk oversight function under the direction of our Group Chief Risk Officer. The team of risk professionals provides our businesses with expert advice and guidance on risk and capital management, alongside ensuring risk taking remains within acceptable parameters. Our Group Internal Audit function is our third line of defence, providing independent assurance on the effectiveness of business risk management and the overall operation of our risk framework.

Own Risk and Solvency Assessment (ORSA)

Our risk identification and assessment process forms part of our broader 'Own Risk and Solvency Assessment' process, an on-going assessment of the risks to which both the Group and LGAS are exposed and an evaluation of the sufficiency of capital resources to sustain the business strategy over the horizon of the Group plan. The process, which covers the whole group, considers how the financial and broader business risks to which we are exposed may evolve over the planning cycle.

Our risk profile

We are exposed to a number of risks through the normal course of our business. These risks are primarily:

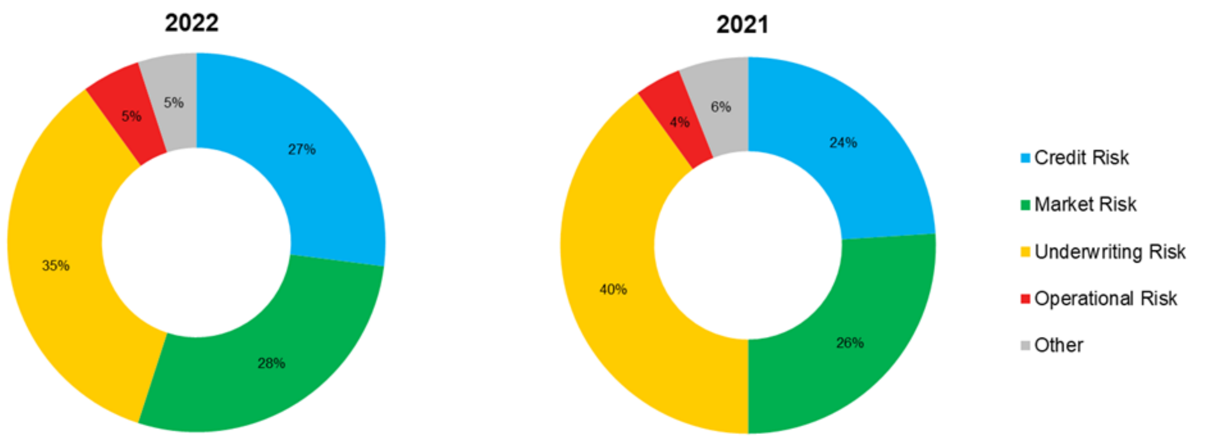
- Longevity, mortality and morbidity risks that are transferred to us by the customers of our pension risk transfer, annuities and protection businesses. The period that customers continue with their life insurance protection policies is also important for profitability;
- Investment, credit and counterparty risks from holding portfolios of assets to meet the obligations to our customers and to deliver returns to shareholders; and liquidity risks from contingent events; and
- Operational risks in respect of our business processes and IT systems, as well as broader regulatory and legislative risks that can arise in the environments in which we operate.

Our risk-based capital model

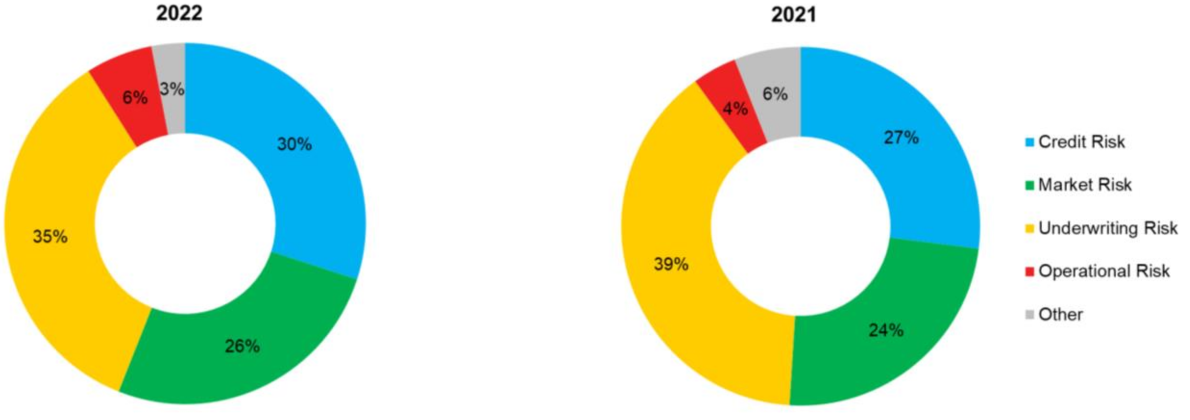
We assess on an on-going basis the capital that we need to hold in excess of our liabilities to meet both the Group's and LGAS's strategic objectives and ensure continued solvency.

Our risk-based capital model seeks to provide a quantitative assessment of the Group's and LGAS's risk exposures. Our model forms part of the suite of tools that we use to evaluate our strategic plans, set risk appetite, allocate capital and evaluate product pricing. We also use our capital model to assess significant transactions, including large pension risk transfer deals. We calibrate our model to ensure that we hold sufficient capital to survive our assessment of a 1-in-200 year event. In terms of our capital requirements, credit (including counterparty credit) and insurance (longevity) risks remain our most significant risks. Market risk (which includes equity, property and interest rate risks) is another material risk for which we hold capital. One of the uses of our model is to calculate our Solvency II regulatory capital requirements. We have chosen to adopt an internal model (the Internal Model) approach to calculate the SCR for all of the material Solvency II regulated insurance companies in the Group.

The chart below shows a breakdown of the Group SCR by major risk type before diversification.



The chart below shows a breakdown of LGAS SCR by major risk type before diversification.



Further details on our risk profile can be found in Section C: Risk profile. A breakdown of SCR is provided in Annex 1: Quantitative Reporting Templates S.25.02.

Valuation for solvency purposes

Assets, technical provisions, and other liabilities are valued in accordance with Solvency II regulations. The principle that underlies the valuation methodology for Solvency II purposes is the amount for which assets could be exchanged, and liabilities transferred or settled, by knowledgeable and willing third parties in an arm's length transaction. As at 31 December 2022 the excess of the Group's assets over its liabilities was £13,891m (2021: £13,725m), which is £1,752m higher than the value under IFRS. The excess of LGAS's assets over its liabilities was £9,828m (2021: 10,016m) which is £1,415 higher than the value under IFRS. The differences are primarily explained by the overall value of technical provisions being lower on a Solvency II basis.

Technical provisions are calculated as the sum of Best Estimate Liabilities (BEL) plus Risk Margin (RM), less any TMTP. The BEL represents our best estimate of future cash flows on the in-force business, taking into account the time value of money, and is calculated without any deduction for the amounts recoverable from reinsurance contracts. Where the PRA has granted approval for the use of a Matching Adjustment (MA) when calculating the BEL, this has been applied in line with the approved application. Further details can be found in Section D.2 Technical Provisions.

We have taken advantage of the 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 the date of introduction of Solvency II, 1 January 2016, and the deduction will be fully amortised over that period, i.e. by 1 January 2032. The value of the deduction as at 31 December 2022 for the Group was £2,136m (2021: £4,736m) and for LGAS was £1,640m (2021: £3,593m).

Our capital management

The primary objective of capital management is to optimise the balance between risk and return, whilst maintaining capital in accordance with the Group's risk appetite and regulatory requirements. Both the Group and LGAS are required to measure and monitor their capital resources on a regulatory basis and to comply with the minimum capital requirements established by the Solvency II Framework directive and adopted by the Prudential Regulation Authority (PRA).

At 31 December 2022 the Group SCR was £7,311m (2021: £9,376m) and the LGAS SCR was £4,737m (2021: £6,465m). The SCR for both Group and LGAS has been calculated with the Group approved Internal Model. Further details can be found in Section E.2 Solvency Capital Requirement and Minimum Capital Requirement.

As at 31 December 2022, surplus Own Funds for the Group were £9,918m (2021: £8,161m), representing a capital coverage ratio of 236% (2021: 187%), and for LGAS were £5,091m (2021: £3,551m), representing a capital coverage ratio of 207% (2021: 155%). This level of coverage ensures that both the Group and LGAS have resources over and above what would be needed to meet their obligations after a 1-in-200 year event. In line with our risk management approach, we maintained appropriate capital buffers throughout the year.

The Group's solvency position is described below, showing the capital coverage ratio.

(£m)	2022	2021
Excess of assets over liabilities	**13,891**	13,725
Tier 2 subordinated liabilities	**3,448**	3,995
Eligibility restrictions	**(110)**	(183)
Solvency II Own Funds	**17,229**	17,537
Solvency Capital Requirement	**7,311**	9,376
Solvency II Surplus	**9,918**	8,161
Solvency II Coverage ratio on a regulatory basis (%)	**236%**	187%

The table above shows the Group Own Funds, Solvency Capital Requirement (SCR) and Surplus Own Funds, based on the Partial Internal Model, Matching Adjustment and TMTP which was recalculated as at 31 December 2022.

Differences between the regulatory and shareholder (as reported in the Group Annual Report and Accounts) bases include the impact of TMTP recalculation, when it is not approved by the PRA, incorporating impacts of economic conditions as at the reporting date and the inclusion of unaudited profits (or losses) of financial firms at 31 December, which are excluded from regulatory Own Funds. In 2022 the unaudited losses were £(3)m (2021: £24m profits).

The LGAS solvency position is set out below, showing the capital coverage ratio on a regulatory basis.

(£m)	2022	2021
Solvency II Own Funds	**9,828**	10,016
Solvency Capital Requirement	**4,737**	6,465
Solvency II Surplus	**5,091**	3,551
Solvency II Coverage ratio on a regulatory basis (%)	**207%**	155%

Additional information on the capital coverage ratio can be found in Section E: Capital Management.

Directors' certificates

Legal & General Group Plc – financial year ended 31 December 2022

The Directors acknowledge their responsibility for the proper preparation of the Solvency and Financial Condition Report in all material respects in accordance with the PRA rules and Solvency II Regulations.

The Group Board is satisfied that to the best of its knowledge and belief:

(a) throughout the financial year to 31 December 2022, the firm has complied in all material respects with the requirements of the PRA rules and Solvency II Regulations as applicable to the firm; and

(b) it is reasonable to believe that in respect of the period from 31 December 2022 to the date of the publication of the Solvency and Financial Condition Report, the firm has continued so to comply and that it will continue so to comply for the remainder of the financial year to 31 December 2023.

Stuart Jeffrey Davies

Group Chief Financial Officer

4 April 2023

Legal and General Assurance Society Limited – financial year ended 31 December 2022

The Directors acknowledge their responsibility for the proper preparation of the Solvency and Financial Condition Report in all material respects in accordance with the PRA rules and Solvency II Regulations.

The board of Legal and General Assurance Society Limited is satisfied that to the best of its knowledge and belief:

(a) throughout the financial year to 31 December 2022, the firm has complied in all material respects with the requirements of the PRA rules and Solvency II Regulations as applicable to the firm; and

(b) it is reasonable to believe that in respect of the period from 31 December 2022 to the date of the publication of the Solvency and Financial Condition Report, the firm has continued so to comply and that it will continue so to comply for the remainder of the financial year to 31 December 2023.

Stuart Jeffrey Davies

Group Chief Financial Officer

4 April 2023

Auditors' report

Report of the external independent auditor to the Directors of Legal & General Group Plc, and Legal and General Assurance Society Limited ('LGAS') pursuant to Rule 4.1 (2) of the External Audit Part of the Prudential Regulatory Authority ('PRA') Rulebook applicable to Solvency II firms.

REPORT ON THE AUDIT OF THE RELEVANT ELEMENTS OF THE SOLVENCY AND FINANCIAL CONDITION REPORT

Opinion

Except as stated below, we have audited the following documents prepared by Legal & General Group Plc and Legal and General Assurance Society Limited (together, 'the Entities') as at 31 December 2022:

- the 'Valuation for solvency purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report of the Entities as at 31 December 2022, ('**the Narrative Disclosures subject to audit**'); and

- templates S.02.01.02, S.22.01.22, S.23.01.22 and S.32.01.22 for the Group, and Company templates S02.01.02, S12.01.02, S17.01.02, S22.01.21, S23.01.01 and S28.02.01 for LGAS ('**the Templates subject to audit'**).

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the '**Relevant Elements of the 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 which comprises:

- information contained within the Relevant Elements of the Solvency and Financial Condition Report set out about above which derive from the Solvency Capital Requirement, as identified in the Appendix to this report;

- the 'Business and performance', 'System of governance' and 'Risk profile' sections of the Solvency and Financial Condition Report;

- templates S.05.01.02 and S.25.02.22 for the Group;

- company templates S05.01.02 and S.25.02.21 for LGAS;

- 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;

- the written acknowledgement by the Directors of the Entities of their responsibilities, including for the preparation of their relevant content of the Solvency and Financial Condition Report ('**the Responsibility Statement**');

- 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 an EU instrument other than the Solvency II regulations ('**the sectoral information**'); and

- to the extent the information subject to audit in the Relevant Elements of the 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 Solvency and Financial Condition Report of the Entities as at 31 December 2022 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which it is based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals, and determinations in effect as at the date of approval of the Solvency and Financial Condition Report.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) including ISA (UK) 800 and ISA (UK) 805, 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 Solvency and Financial Condition Report section of our report. We are independent of each of the Entities in accordance with the ethical requirements that are relevant to our audit of the Solvency and Financial Condition Report in the UK, including the FRC Ethical Standard as applied to listed 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.

Emphasis of Matter – special purpose basis of accounting
We draw attention to the 'Valuation for solvency purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report, which describe the basis of accounting of the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report. The 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 Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the PRA. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Going concern
The Directors of Legal & General Group Plc have prepared the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report for the Group on the going concern basis as they do not intend to liquidate the Group or to cease its operations, and as they have concluded that the Group's financial position mean that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for the going concern period. The Directors of LGAS have prepared the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report for LGAS on the going concern basis as they do not intend to liquidate the entity or to cease its operations, and as they have concluded that LGAS's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over the ability of LGAS to continue as a going concern for at least a year from the date of approval of the Solvency and Financial Condition Report ("the going concern period").

We have used our knowledge of the Entities, their industry, and the general economic environment to identify the inherent risks to their business models and analysed how those risks might affect the Entities' financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Entities' available financial resources over this period were:

- adverse impacts arising from fluctuations or negative trends in the economic environment including, but not limited to, wider credit spreads and defaults which affect regulatory capital solvency coverage ratios, liquidity ratios, the valuations of the group's hard to value (Level 3) investments that require judgement and valuation of best estimate liabilities; and

- severely adverse policyholder lapse or claims experience.

Our conclusions based on this work:

- we consider that the directors of Legal and General Group plc use of the going concern basis of accounting in the preparation of the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report for the Group is appropriate;
- we consider that the directors of LGAS use of the going concern basis of accounting in the preparation of the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report for LGAS is appropriate;
- we have not identified, and concur with the assessment of the directors of the Legal and General Group plc that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for the going concern period; and
- we have not identified, and concur with the assessment of the directors of the LGAS that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on LGAS's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that LGAS or the Group will continue in operation.

Fraud and breaches of laws and regulations – ability to detect
Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of directors, the Audit Committees, internal audits, Group Financial Crime Director as to whether they have knowledge of any actual, suspected or alleged fraud and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing";
- reading Board, Audit Committee and Risk Committee meeting minutes;
- considering remuneration incentive schemes and performance targets for management;
- using our own professionals with forensic knowledge to assist us in identifying fraud risks based on discussion of the circumstances of the group;
- using analytical procedures to identify any unusual or unexpected relationships;
- inspecting correspondence with regulators to identify instances or suspected instances of fraud;
- reviewing the audit misstatements from prior period to identify fraud risk factors; and
- reading broker reports and other public information to identify third-party expectations and concerns.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit of the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report. As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgments such as the valuation of best estimate liabilities and valuation of investments that require judgment.

We also identified a fraud risk related to:

- the valuation of best estimate liabilities in response to the required significant judgment over uncertain future outcomes, being the ultimate total settlement value of long-term policyholder liabilities; and

- the valuation of investments that require judgment (UK private credit, and lifetime mortgages) in response to the high degree of estimation uncertainty due to the illiquid positions within the financial investments portfolio and lack of a readily available observable price.

We also performed procedures including instructing full scope components to identify journal entries to test based on the high-risk criteria sent to them and comparing the entries to supporting documentation. These included, but were not limited to, journals impacting cash balances that were identified as unusual or unexpected in our risk assessment procedures;

- evaluating the business purpose of significant unusual transactions; and

- assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report from our general commercial and sector experience, through discussion with the directors and other management of the Entities (as required by auditing standards), and from inspection of the Entities' regulatory and legal correspondence and have discussed with the directors and other management of the Entities, the policies and procedures regarding compliance with laws and regulations.

As the Entities are regulated, our assessment of risks involved gaining an understanding of the control environment including the Entities' procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to component audit teams of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group team any instances of noncompliance with laws and regulations that could give rise to a material misstatement at Group.

The potential effect of these laws and regulations on the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report varies considerably.

Firstly, the Entities are subject to laws and regulations that directly affect the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report, including financial reporting legislation (including related companies legislation), PRA Rules and Solvency II regulations, distributable profits legislation, pensions legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report.

Secondly, the Entities are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report, for instance through the imposition of fines or litigation or the loss of the entities' license to operate. We identified the areas of specific aspects of regulatory capital and liquidity, market abuse, financial crime and customer conduct regulations as those most likely to have such an effect, recognising the financial and regulated nature of the Entities' activities. Auditing standards limit the required audit procedures to identify noncompliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach. We discussed with the Audit Committee matters related to actual or suspected breaches of laws or regulations, for which disclosure is not necessary, and considered any implications for our audit of the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other Information

The Directors of the Entities are responsible for their relevant content of the Other Information.
Our opinion on the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report, or our knowledge obtained in 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 there is a material misstatement in the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report or a material misstatement of the Other Information. 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 of the Entities for the Solvency and Financial Condition Report

The Directors of the Entities are responsible for the preparation of their relevant content of the 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 FSMA, the PRA Rules and Solvency II regulations on which they are based.

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

The Directors of the Legal & General Group Plc are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease its operations, or have no realistic alternative but to do so.

The Directors of LGAS are responsible for assessing LGAS's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate LGAS or to cease its operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Relevant Elements of the Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report is prepared, in all material respects, with financial reporting provisions of the PRA Rules and Solvency II regulations on which it is based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Our objectives are to obtain reasonable assurance about whether the information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report is 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 information subject to audit in the Relevant Elements of the Solvency and Financial Condition Report.

A fuller description of our responsibilities is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

Other Matter – partial internal model

Legal & General Group Plc has authority to calculate the Group Solvency Capital Requirement, and LGAS has authority to calculate its Solo Solvency Capital Requirement, using a partial internal model ("the Model") approved by the PRA 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, or outputs from the Model, or whether the Model is being applied in accordance with the Entities' 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 for Solvency II firms, the sectoral information has been properly compiled in accordance with the PRA rules and EU instruments 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 the Entities' statutory financial statements for the year ended 31 December 2022. 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.

This engagement is separate from the audits of the annual financial statements of the Entities and the report here relates only to the matters specified and does not extend to the Entities' annual financial statements taken as a whole.

As set out in our audit reports on those financial statements, those audit reports are made solely to the members of the respective Entities, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. The audit work has been undertaken so that we might state to the members of the respective Entities those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Entities and the members, as a body, of each of the respective Entities for the audit work, for the audit report, or for the opinions we have formed in respect of those audits.

The purpose of our audit work and to whom we owe our responsibilities

This report of the external auditor is made solely to the directors of the Entities, as their governing bodies, in accordance with the requirement in Rule 4.1 (2) of the External Audit Part of the PRA Rulebook for Solvency II firms and the terms of our engagement. We acknowledge that the directors are required to submit the report to the PRA, to enable the PRA to verify that an auditor's report has been commissioned by the Entities' directors and issued in accordance with the requirement set out in Rule 4.1 (2) of the External Audit Part of the PRA Rulebook for Solvency II firms and to facilitate the discharge by the PRA of its regulatory functions in respect of the Entities, conferred on the PRA by or under the Financial Services and Markets Act 2000.

Our audit has been undertaken so that we might state to the directors those matters we are required to state to them in an auditor's report issued pursuant to Rule 4.1 (2) and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Entities through their governing bodies, for our audit, for this report, or for the opinions we have formed.

Salim Tharani
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
Canary Wharf,
London, E14 5GL

4 April 2023

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

The Relevant Elements of the Solvency and Financial Condition Report that are not subject to audit comprise:

Group

- The following elements of Group template S.02.01.02:
  - Row R0550: Technical provisions - non-life (excluding health) - risk margin
  - Row R0590: Technical provisions - health (similar to non-life) - risk margin
  - 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 measures 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 R0060: Non-available subordinated mutual member accounts 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’.

Solo

- The following elements of template S.02.01.02:
  - Row R0550: Technical provisions - non-life (excluding health) - risk margin
  - Row R0590: Technical provisions - health (similar to non-life) - risk margin
  - 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.17.01.02
  - Row R0280: Technical provisions calculated as a sum of BE and RM - Risk margin
  - Rows R0290 to R0310 – Amount of transitional measure on technical provisions

- The following elements of template S.22.01.21
  - Column C0030 – Impact of transitional measures 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.28.02.01
  - Row R0310: SCR

- Elements of the Narrative Disclosures subject to audit identified as ‘unaudited’.

A. Business and performance

A.1 BUSINESS

A.1.1 GROUP AND LGAS DETAILS

This report is prepared in respect of Legal & General Group Plc (the Group) and Legal and General Assurance Society Limited (LGAS) for the financial year ended 31 December 2022.

The Group and LGAS	Legal & General Group Plc One Coleman Street London EC2R 5AA Legal and General Assurance Society Limited One Coleman Street London EC2R 5AA
The supervisory authority responsible for financial supervision	Prudential Regulation Authority 20 Moorgate London EC2R 6DA
The external auditor	KPMG LLP 15 Canada Square London E14 5GL

A.1.1.1 QUALIFYING HOLDINGS

The Group has issued 5,973,253,500 ordinary shares of 2.5p each, issued on the London Stock Exchange as at the reporting date. All shares issued carry equal voting rights. There are no qualified holdings of greater than 10% of the capital as at the reporting date.

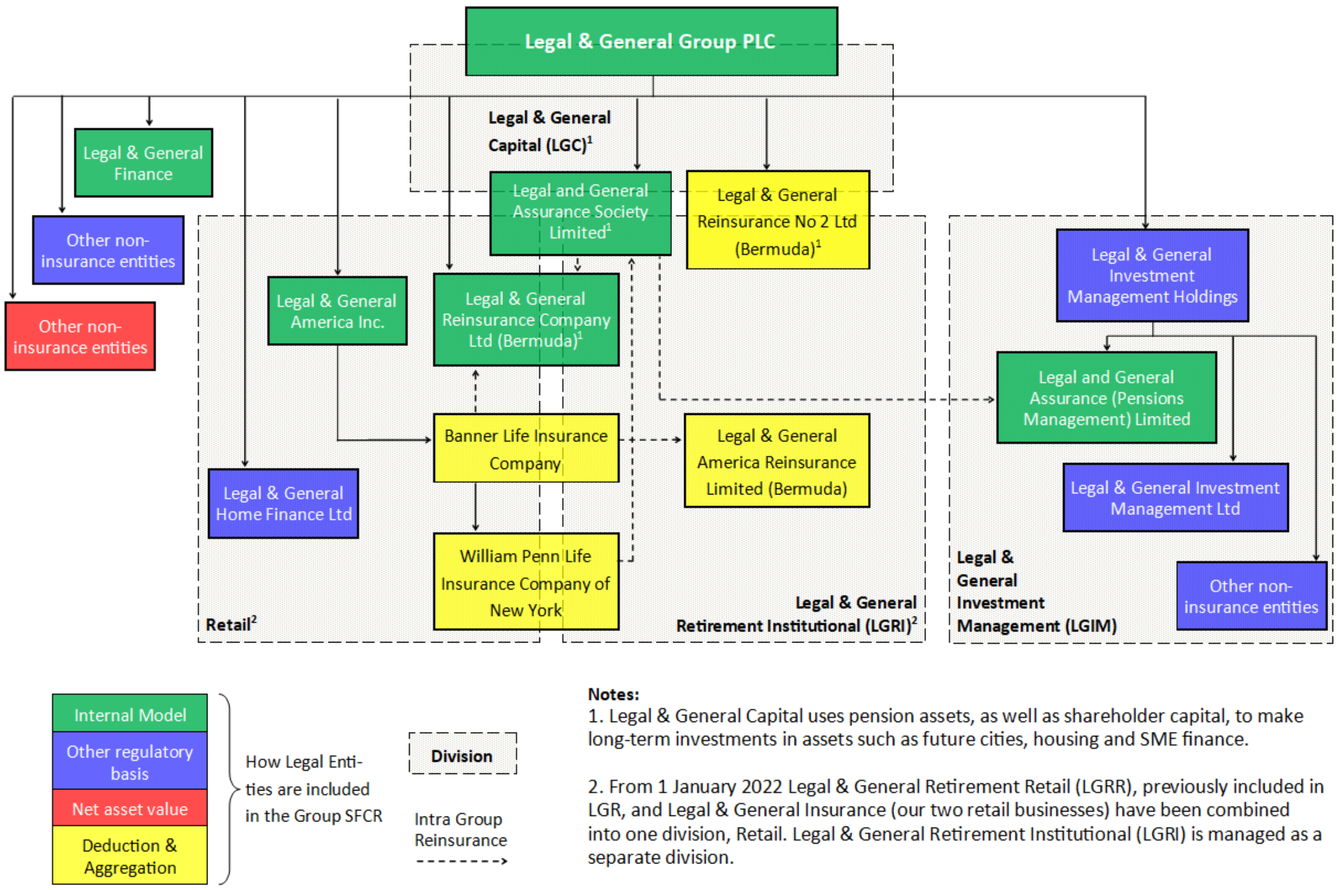
LGAS is wholly owned by Legal & General Group Plc (the Group) which has its registered office at One Coleman Street London EC2R 5AA.

A.1.1.2 GROUP STRUCTURE

A simplified group structure chart is shown in Diagram 1 below. The chart summarises the relationship between entity and divisional responsibilities (on a forward-looking basis), further details of the principal products written by each division is provided in A.1.3 below. The Group Board has ultimate responsibility for the Group's system of governance; this is described in further detail in Section B: System of governance.

LGAS is a principal operating subsidiary of the Group and is the regulated entity through which the majority of the Group's UK individual and group insurance, pensions and annuities business is executed.

Diagram 1: Division and Entity overview



Notes:

1. Legal & General Capital uses pension assets, as well as shareholder capital, to make long-term investments in assets such as future cities, housing and SME finance.

2. From 1 January 2022 Legal & General Retirement Retail (LGRR), previously included in LGR, and Legal & General Insurance (our two retail businesses) have been combined into one division, Retail. Legal & General Retirement Institutional (LGRI) is managed as a separate division.

A.1.2 MATERIAL RELATED UNDERTAKINGS

The particulars of the Group's subsidiaries as at 31 December 2022 are listed in the Quantitative Reporting Template (QRT) S.32 in Annex 1 of this document and Note 42 of the Group's Annual Report and Accounts. The particulars of LGAS subsidiaries as at 31 December 2022 are listed in Note 34 of the LGAS statutory financial statements. The material insurance undertakings are summarised below:

Company name	Country	Ownership %
Legal and General Assurance Society Limited (LGAS)	England & Wales	100%
Legal and General Assurance (Pensions Management) Limited (PMC)	England & Wales	100%
William Penn Life Insurance Company of New York	USA	100%
Banner Life Insurance Company	USA	100%
Legal & General Reinsurance Company Limited	Bermuda	100%
Legal & General Reinsurance No.2 Limited	Bermuda	100%

The proportion of voting rights is the same as the ownership held for each of the entities listed above. There are no material differences between the scope of the Group used for the consolidated financial statements and the scope for Solvency II consolidated data, as determined in accordance with Article 335 of the Delegated Regulation[1].

The consolidation treatment of entities varies depending on both the Group's influence and control in the entity and the principal activity of the entity, as prescribed in Article 335. A full list of subsidiary undertakings, associates, and joint ventures is contained in the QRT S.32.01, in Annex 1 of this document. The type and treatment of each undertaking can be found in columns C0050 and C0260 respectively.

A.1.3 PRINCIPAL PRODUCTS

A significant part of the Group's business involves the acceptance and management of risk.

A description of the principal products offered by the Group's business divisions is outlined below. The Group seeks to manage its exposure to risk through control techniques which ensure that the residual exposures are within acceptable tolerances agreed by the Board. The Group's risk appetite framework and the methods used to monitor risk exposures can be found in Section B: Systems of governance and Section C: Risk profile.

Details of the risks associated with the Group's principal products and the control techniques used to manage these risks can be found in Section C: Risk profile.

A.1.3.1 LEGAL & GENERAL RETIREMENT INSTITUTIONAL (LGRI)

A.1.3.1.1 ANNUITY CONTRACTS

Pension Risk Transfer (PRT) represents bulk annuities, whereby the Group accepts the assets and liabilities of a company pension scheme or a life fund. Annuities provide guaranteed income for a specified time, usually the life of the policyholder and may include a guaranteed payment period. PRT business consists of both immediate and deferred annuities. Immediate annuities provide a regular income stream to the policyholder and are in payment

1. Commission Delegated Regulation (EU) 2015/35.

at the date of the transaction. Deferred annuities provide a regular income stream to the policyholder where the income stream starts at a future date after the transaction. Some deferred contracts accepted by the Group contain guaranteed cash options, predominantly minimum factors for commuting part of the annuity income into cash at the date of vesting.

There is a block of immediate and deferred annuities within the UK business with benefits linked to changes in the RPI or for a minority the CPI, but with contractual maximum or minimum increases.

A.1.3.1.2 INVESTMENT CONTRACTS

The Group, through LGAS, writes Assured Payment Policies (APP), which are long-term contracts under which the policyholder (a registered UK pension scheme) pays a day-one premium and in return receives a contractually fixed and/or inflation-linked set of payments over time from the insurer.

A.1.3.1.3 LONGEVITY INSURANCE CONTRACTS

The Group also provides longevity insurance products for company pension schemes, under which regular payments are made to the scheme reflecting their actual longevity experience, while the scheme makes an agreed set of regular payments in return. Some policies contain a guaranteed surrender value which is currently immaterial.

A.1.3.2 LEGAL & GENERAL INVESTMENT MANAGEMENT (LGIM)

LGIM offers both passive and active investment fund management on either a pooled or segregated basis. Assets are managed in London, Hong Kong and Chicago on behalf of pension funds, institutional clients, sovereign wealth clients, retail funds and subsidiary companies within the Group.

The key products provided by LGIM are unit linked Institutional Pensions, Segregated investment management mandates and Collective Investment Schemes. For Solvency II reporting purposes, PMC has only two material lines of business which are index-linked and unit-linked insurance and life reinsurance.

The core strategies applied for managing the products are set out below:

A.1.3.2.1 INDEX FUND MANAGEMENT

LGIM provides a diversified range of pooled index funds, providing a wide choice and the ability to pursue specific benchmarks efficiently. In addition, segregated solutions are offered to institutional clients providing large scale customisation against established market capitalisation weighted and alternative indices.

The LGIM ETF business provides clients access to LGIM's index fund management capabilities via our Exchange Traded Fund platform. ETF products cover a broad range of traditional and thematic asset classes.

A.1.3.2.2 ACTIVE STRATEGIES

LGIM offers a range of pooled and segregated active fixed income funds. The LGIM liquidity funds offer institutional investors a solution for their cash management requirements across a range of core currencies. The liquidity funds aim to deliver competitive returns with a high level of diversification, whilst focusing on capital preservation through portfolios of high-quality liquid assets. Active strategies also include an active equity management business comprising focused teams managing stock selection across different regions.

A.1.3.2.3 SOLUTIONS AND LIABILITY DRIVEN INVESTMENT (LDI)

LGIM provides a range of pooled and bespoke solutions to help de-risk corporate defined benefit pension schemes. These solutions will usually combine active or passive underlying portfolios with derivative overlays designed to meet clients' specific liability matching requirements. An allocation strategy service is also offered to institutional clients, which may also allocate some of the portfolio to managers other than LGIM.

A.1.3.2.4 MULTI-ASSET FUNDS

Multi-asset funds for retail and institutional clients, built using LGIM's expertise in asset allocation which is informed by an in-house research capability. The underlying asset classes may be managed on an active or passive basis within LGIM.

A.1.3.2.5 REAL ASSETS

LGIM offers a range of pooled funds, segregated accounts and joint ventures investing on behalf of UK and overseas investors across physical real estate, private corporate debt, infrastructure debt and real estate loans. The business has specialist teams of fund and asset managers and an in-house research team.

A.1.3.3 LEGAL & GENERAL CAPITAL (LGC)

Legal & General Capital manages shareholder assets which are not directly required to meet contractual obligations to policyholders.

LGC's investments fall into two distinct categories; direct investments and traded assets. The value of, and income from, both categories is sensitive to conditions within investment markets and the broader economy. Potential volatility in returns is managed using a range of techniques, including foreign exchange and interest rate hedging, and exposure concentration limits by asset type, sector and geographic region.

A.1.3.3.1 DIRECT INVESTMENTS AND STRUCTURING

Direct investments are an integral part of the wider group strategy. Direct investments are typically illiquid investments entered into through acquisition, joint ventures with strategic partners or the creation of new companies directly. LGC seeks to make direct investments in sectors where there are structural funding shortfalls, and is organised into four sectors: specialist commercial real estate, clean energy, housing and SME finance (venture capital and General Partner investing). LGC deploys capital and sector expertise to such investments to target attractive risk-adjusted returns which can deliver higher returns and / or lower volatility for our shareholder capital than listed equity.

A.1.3.4 RETAIL

From 1 January 2022, Legal & General Retirement Retail (LGRR) and Legal & General Insurance (LGI) (our two retail businesses) have been combined into one division, Legal & General Retail. This division will cover the Workplace savings, protection and retirement needs of our customers.

The Retail business comprises:

- UK retail and group life insurance, critical illness cover, annuities, workplace savings and income protection, written in LGAS;

- US protection and universal life business, written in William Penn Life Insurance Company of New York and Banner Life Insurance Company; and
- Fintech.

A.1.3.4.1 LIFETIME MORTGAGES

Lifetime Mortgages are a form of equity release mortgage that provide non-commercial borrowers with a loan secured against their main residence, without the need for regular repayments. They are regulated retail mortgages offered only to borrowers over the age of 55 through specialist intermediaries. Interest accrues over the term of the loan and is repayable at the time the principal becomes due. All Lifetime Mortgages provide a 'no negative equity' guarantee, which means that if the loan is repaid from the sale of the property and the net sale proceeds are lower than the balance of the loan, the Group will accept the net sale proceeds as full settlement.

Lifetime mortgages are written in Legal & General Home Finance Limited, a subsidiary of the Group. However, LGAS acquires the mortgages to hold as assets backing the annuities book. The risk associated with such assets is detailed in Section C: Risk Profile.

A.1.3.4.2 WORKPLACE SAVINGS

Workplace Savings provides corporate pension scheme solutions to enable companies to meet their auto-enrolment obligations. Workplace Savings acts as scheme operator and administrator for these products while the customers hold the individual or scheme level pension policies issued by LGAS.

A.1.3.4.3 UK PROTECTION BUSINESS (RETAIL AND GROUP)

The Group offers protection products which provide mortality or morbidity benefits. These may include health, disability, critical illness and accident benefits; these additional benefits are commonly provided as supplements to main life policies but can also be sold separately. The benefit amounts are specified in the policy terms. Some sickness benefits cover the policyholder's mortgage repayments and are linked to the prevailing mortgage interest rates. In addition to these benefits, some contracts may guarantee premium rates, provide guaranteed insurability benefits and offer policyholders conversion options.

A.1.3.4.4 US PROTECTION BUSINESS

US protection represents individual term assurance, which provides death benefits over the medium to long-term. The contracts have level premiums for an initial period with premiums set annually thereafter. During the initial period, there is generally an option to convert the contract to a universal life contract. After the initial period, the premium rates are not guaranteed, but cannot exceed the age-related guaranteed premium.

A.1.3.4.5 US UNIVERSAL LIFE

Universal life contracts written by Legal & General America (LGA) provide savings and death benefits over the medium to long term. The savings element has a guaranteed minimum growth rate. LGA has exposure to loss in the event that interest rates decrease and it is unable to earn enough on the underlying assets to cover the guaranteed rate. LGA is also exposed to loss should interest rates increase, as the underlying market value of assets will generally fall without a change in the surrender value.

Reinsurance is used within the protection businesses to manage exposure to large claims for individual term business and virtually all universal life business. These practices lead to the establishment of reinsurance assets on the Group's balance sheet. Within our US business reinsurance and securitisation are also used to provide regulatory solvency relief (including relief from regulation governing term insurance).

A.1.3.4.6 ANNUITIES

Immediate annuities have similar characteristics as products sold by LGRI. The Group also offers products for individuals that provide a guaranteed level of income over a chosen fixed period of time, in exchange for an initial lump sum payment from the policyholder. The products can provide a fixed lump sum at maturity and/or options to surrender on non-guaranteed terms.

Deferred annuity contracts written by LGA contain a provision that, at maturity, a policyholder may move the account value into an immediate annuity, at rates which are either those currently in effect, or rates guaranteed in the contract.

A.1.3.4.7 LIFETIME CARE PLAN

The Lifetime Care Plan provides a monthly payment to a UK registered care provider that helps meet the cost of care for the policyholder's life. A policyholder can choose to receive a fixed monthly payment or opt to have escalation built in. A death benefit exists within the product so that if a policyholder dies within the first 6 months of the start date a percentage of the original premium less any payments already made is payable to the estate.

A.1.3.4.8 RETIREMENT INTEREST ONLY MORTGAGES

A Retirement Interest Only (RIO) mortgage is a standard residential mortgage available for non-commercial borrowers above 55 years old. A RIO mortgage is very similar to a standard interest-only mortgage, with two key differences:

- The loan is usually only paid off on death, move into long-term care or sale of the house; and
- The borrowers only have to prove they can afford the monthly interest repayments and not the capital remaining at the end of the mortgage term. No repayment solution is required as repayment defaults to sale of property.

A.1.4 SIGNIFICANT BUSINESS OR OTHER EVENTS

CEO retirement and succession plans

After 14 years with the Group, Sir Nigel Wilson has informed the Board of his decision to retire . He joined Legal & General as Chief Financial Officer in 2009 and was appointed as Chief Executive in 2012. The Board has commenced a rigorous process to appoint a successor, considering both internal and external candidates. Sir Nigel has agreed to continue as Chief Executive until the new Chief Executive starts and he will support a smooth transition following their appointment. It is envisaged that this process will take up to a year.

Retail Division

As of 1 January 2022, LGRR and LGI (our two retail businesses) have been combined into one division, Legal & General Retail. This division covers the savings, protection and retirement needs of c.13m people.

A.2 UNDERWRITING PERFORMANCE

We consider IFRS adjusted operating profit to be a good measure of the Group's and LGAS's underwriting performance.

Adjusted operating profit measures the pre-tax result excluding the impact of investment volatility, economic assumption changes caused by changes in market conditions or expectations and exceptional items. It therefore reflects longer-term economic assumptions for the Group's insurance businesses and shareholder funds, including the traded portfolio in LGC. For direct investments, adjusted operating profit reflects the expected long-term economic return for those assets which are developed with the intention of sale, or the IFRS profit before tax for the early stage and mature businesses. Variances between actual and long-term expected investment return on traded and real assets (including direct investments where applicable) are excluded from adjusted operating profit, as well as economic assumption changes caused by changes in market conditions or expectations (e.g. credit default and inflation) and any difference between the actual allocated asset mix and the target long-term asset mix on new pension risk transfer business. Adjusted operating profit also excludes the yield associated with assets held for future new pension risk transfer business from the valuation discount rate on insurance contract liabilities. Exceptional income and expenses which arise outside the normal course of business in the year, such as merger and acquisition and start-up costs, are also excluded from adjusted operating profit.

The adjusted operating profit is presented in the following sections. Information on premiums, claims and changes in technical provisions, which can be considered as key elements of underwriting performance, is presented by Solvency II line of business in QRT S.05.01 in Annex 1 of this report for the Group and LGAS templates.

A.2.1 ADJUSTED OPERATING PROFIT BY DIVISION

A.2.1.1 GROUP ADJUSTED OPERATING PROFIT

The table below shows the adjusted operating profit for the Group reported in the Group consolidated annual report and accounts. These results are on an IFRS basis.

(£m)	2022	2021
Retirement Institutional (LGRI)	**1,257**	1,154
Capital (LGC)	**509**	461
Investment Management (LGIM)	**340**	422
Retail	**825**	620
- Insurance	341	268
- Retail Retirement	484	352
Adjusted operating profit from divisions	**2,931**	2,657
Group debt costs	**(214)**	(230)
Group investment projects and expenses	**(194)**	(165)
Adjusted operating profit	**2,523**	2,262
Investment and other variances	**137**	233
Losses on non-controlling interests	**(1)**	(7)
Profit before tax for the year	**2,659**	2,488

The table below shows the adjusted operating profit for LGAS.

(£m)	2022	2021
Retirement Institutional (LGRI)	**971**	1,050
Capital (LGC)	**173**	211
Retail	**388**	633
- Insurance	49	316
- Retail Retirement	339	317
Adjusted operating profit from divisions	**1,532**	1,894

Legal & General Retirement Institutional (LGRI)

LGRI continues to deliver strong operating profit of £1,257m (2021: £1,154m). Profit was underpinned by the scale of back-book earnings, performance of our global annuity portfolio, robust pension risk transfer (PRT) new business volumes and routine assumption changes.

LGRI has prudently adopted a modified CMI 2020 model, releasing a modest positive into the results. No weight was given to 2020 data, as this would have led to unreasonable falls in life expectancy, given the significant impact of Covid-19.

During 2022 LGRI wrote £7,319m of UK PRT which delivered an 8.9% UK Solvency II new business margin (2021: 9.5%), UK PRT volumes were written at a capital strain of less than 4%. LGRI delivered $2,096m of US PRT in 2022, almost doubling the business from the prior year (2022: £1,763m; 2021: $1,095m; £789m).

Gross longevity exposure was £69.7bn across LGRI's and Retail's annuity and longevity insurance businesses. The business has reinsured £32.3bn of longevity risk with seventeen reinsurance counterparties, leaving a net exposure of £37.4bn. The reinsurance market continues to grow and innovate, and the Group expects it to continue to offer sufficient capacity to meet the demand from insurers.

Legal & General Capital (LGC)

LGC operating profit increased to £509m (2021: £461m). This growth principally reflects increased profits from the business's alternative asset portfolio of £400m (2021: £350m), driven by strong demand in the housebuilding market and continued maturing of the portfolio.

LGC's growing alternative asset portfolio achieved a net portfolio return of 7.5% (2021: 8.5%).

Legal & General Investment Management (LGIM)

Operating profit decreased by 19% to £340m (2021: £422m), reflecting the impact of higher interest rates and volatile equity markets on assets under management, in addition to higher inflation impacting the cost base. Assets under management decreased by 16% to £1,195.7bn (2021: £1,421.5bn), despite strong external net flows of £49.6bn (2021: £34.6bn), which represented 4% of external opening AUM. New inflows delivered £22m of annualised net new revenue across higher-margin areas including thematic ETFs and Multi-asset, however this was fully offset by decreasing Defined-Benefit (DB) revenues as higher fee products were sold by clients to meet Liability Driven Investing (LDI) collateral requirements.

Management fee revenue decreased by 4% to £944m (2021: £980m), though transactional revenue was robust at £26m (2021: £32m), driven by execution fees with increased hedging activity and performance fees. The cost income ratio of 65% (2021: 58%) reflects LGIM's careful cost control as they continue to invest in the business.

Insurance

During 2022, Insurance operating profit increased 27% to £341m (2021: £268m), reflecting strong new business growth and modelling refinements to the liability discount rate in UK retail protection.

Solvency II New Business Value decreased to £226m (2021: £323m) reflecting the impact of higher interest rates and lower volumes in Retail protection after a strong 2021. The Insurance business continues to generate Solvency II surplus immediately when written and provides diversification benefits to the Group.

Retail Retirement

Retail Retirement's operating profit increased 38% to £484m during 2022 (2021: £352m), driven by the ongoing release from operations, positive mortality experience due to the continued impact of Covid-19, and routine updates to valuation assumptions.

A.3 INVESTMENT PERFORMANCE

Investment performance is reported as investment return in the financial statements. The Group earns an investment return from holdings in financial instruments and property investments, held to back insurance and investment contracts on behalf of policyholders and as group capital.

The total investment return as reported in the Group financial statements in 2022 was £(100,365)m (2021: £35,927m), and for LGAS was £(20,397)m (2021: £1,110m). The total investment return comprises the expected return included in the IFRS operating profit plus the variance between actual and expected investment performance. As such, there is some element of duplication with the underwriting performance reported in A.2 above.

Investment return includes dividends, rent, interest, and fair value gains and losses, excluding fair value movements attributable to available-for-sale (AFS) investments. Dividends are accrued on an ex-dividend basis. Interest and rent are included on an accruals basis. Interest income for financial assets which are not classified as fair value through profit or loss is recognised using the effective interest method.
Investment expenses are included in 'Other administrative expenses' found in Section: A.4 below.

A.3.1 INVESTMENT RETURN

The table below presents the Group's actual investment income, gains and losses split by Solvency II asset class and the components of such income and expense.

Investment return (£m)	**Income 2022**	**Gains and losses 2022**	Income 2021	Gains and losses 2021
Debt securities	**2,206**	**(16,432)**	1,900	(2,292)
Equities[1]	**2,298**	**(40,916)**	1,446	701
Derivatives	**-**	**(6,423)**	-	(194)
Other financial investments	**104**	**298**	165	314
Assets held for index-linked and unit-linked contracts	**6,422**	**(47,922)**	6,338	27,529
Total	**11,030**	**(111,395)**	9,869	26,058

1. Includes holdings in collective investment vehicles and related undertakings (including participations).

The total gains and losses which were recognised directly in equity are disclosed in the Group's Consolidated statement of comprehensive income within the Group's Annual Report & Accounts.

The table below presents LGAS actual investment income and expenses split by Solvency II asset class:

Investment return (£m)	Income 2022	Gains and losses 2022	Income 2021	Gains and losses 2021
Debt Securities	**2,176**	**(16,368)**	1,885	(1,975)
Equities	**116**	**(515)**	55	261
Derivatives	**-**	**(4,413)**	-	9
Property	**273**	**(1,342)**	214	549
Other assets	**105**	**(428)**	83	43
Assets held for index-linked and unit-linked contracts	**-**	**-**	-	1
Total	**2,670**	**(23,066)**	2,237	(1,112)

All investment gains and losses are recognised in the income statement. There are no amounts recognised directly in equity.

A.3.2 INVESTMENTS IN SECURITISATION

The Group holds securitisations with a market value of £1.7bn as at 31 December 2022 (2021: £1.7bn), of which £0.2bn (2021: £0.3bn) is held for index linked and unit linked contracts. Mortgage-backed securities and asset-backed securities amounted to £0.9bn and £0.8bn (2021: £1.1bn and £0.6bn) respectively.

LGAS holds securitisations with a market value of £692m as at 31 December 2022 (2021: £869m).

A.4 PERFORMANCE OF OTHER ACTIVITIES

The Group's other material income includes:

- Fees from fund management and investment contracts of £899m (2021: £959m); and
- Other operational income of £1,638 (2021: £1,593m).

Other operational income comprises income from house building, estate agency operations, agency fee income relating to distribution services, and income from consolidated private equity investments.

Expenses of the Group include:

Expenses (£m)	2022	2021
Acquisition costs[1]	**834**	825
Finance costs	**290**	294
Staff costs	**1,194**	1,014
House building costs	**1,123**	1,072
Other administrative expenses	**890**	1,022
Total	**4,331**	4,227

1. Acquisition costs comprise direct costs, such as initial commission, and the indirect costs of obtaining and processing new business.

The Group leases office buildings and other premises under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. None of the leases are considered material. Details of the Group's operating leases is provided in Section D.1.1.7.

The Group does not hold any material finance leases.

LGAS operational income of £15m (2021: £12m) includes rebates of unit trust management fees received from Legal and General Investment Management Limited. LGAS other expenses of £547m (2021: £531m) comprise administrative expenses, management fees payable, corporate expenses and other charges.

LGAS leases offices and other premises under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. None of the leases are considered material. LGAS does not hold any material finance leases.

B. System of Governance

B.1 GENERAL INFORMATION OF THE SYSTEM OF GOVERNANCE

B.1.1 THE STRUCTURE OF THE BOARDS

The Group Board of Legal & General Group PLC is accountable for the long-term success of the Group by setting the Group's strategic objectives and monitoring performance against those objectives. The Board is led by the Group Chairman, and as at 31 December 2022 comprised two Executive Directors (the Group Chief Executive Officer and the Group Chief Financial Officer) and ten non-executive directors. The day-to-day management of the Group is led by the Group Chief Executive Officer.

The Group Board meets formally on a regular basis and at each meeting considers business performance, strategic proposals, acquisitions and material transactions. The Group and its subsidiaries operate within a clearly defined delegated authority framework which has been fully embedded across the Group. The delegated authority framework ensures that there is an appropriate level of Board contribution to and oversight of key decisions and that the day-to-day business is managed effectively.

Legal & General Group is managed across divisions rather than legal entities. The Group's business divisions are:

- Legal & General Retirement Institutional (LGRI);
- Legal & General Capital (LGC);
- Legal & General Investment Management (LGIM); and
- Legal & General Retail.

A group business division delivers a number of centralised activities.

As disclosed in section A.1.4, as of 1 January 2022, LGRR and LGI (our two retail businesses) have been combined into one division, Legal & General Retail, which now covers the savings, protection and retirement needs of our c13 million people.

The LGAS board is accountable for the long-term success of the company by setting the company's strategic objectives within the overall strategy defined by the Group Board and by monitoring performance against those objectives. The LGAS board is led by an independent non-executive director as the board's Chair, and as at 31 December 2022 comprised two Executive Directors (the Group Chief Executive Officer and the Group Chief Financial Officer) and four non-executive directors, including the chair. The day-to-day management of the company is led by the Group Chief Executive Officer. The company's Chief Risk Officer and the company's Chief Actuary are standing attendees.

The LGAS board meets formally on a regular basis. At each board meeting the Group Chief Financial Officer provides the board with an update on the underlying business performance of each of the business divisions. Each of the divisional Managing Directors (MD)/Chief Executive Officers (CEO) is invited on a cyclical basis to give the company's board a more in-depth presentation on their division's underlying performance. On a regular basis the board receives formal reports from the Chief Risk Officer and Group Internal Audit (GIA) on risk and compliance issues impacting the company.

LGAS operates within a clearly defined delegated authority framework. The delegated authority framework ensures that there is an appropriate level of board contribution to and oversight of key decisions and that the day-to-day business is managed effectively.

B.1.2 DELEGATED AUTHORITIES

The Group Board delegated authority framework consists of a clearly defined schedule of matters reserved for the Group Board. The types of matters reserved for the Board include, amongst other things, matters relating to the Group's strategic plan, material transactions, risk appetite, and oversight of systems of internal control and corporate governance policies. Those matters which are not reserved are delegated by the Board to group level committees and to the Group Chief Executive Officer, who then delegates decision making onward to the Group Capital Committee, an executive decision-making forum, and his direct reports.

Matters delegated to group level Committees (Committees of the Group Board) are as follows:

- **Group Audit Committee** The primary responsibility of the Committee is to assist the Board in discharging its responsibilities with regards to monitoring the integrity of the Group's financial statements, the effectiveness of internal control (including financial internal control) and the independence and objectivity of the internal and external auditors.
- **Group Risk Committee** (GRC) The purpose of the Committee is to assist the Board in the oversight of the risks to which the Group may be exposed and to provide the Board with strategic advice in relation to current and potential future risk exposures of the Group. This includes reviewing the Group's risk appetite and risk profile, and assessing the effectiveness of the Group's risk management framework.
- **Group Remuneration Committee** Responsible for determining and approving the framework of the remuneration policy for the Group and its subsidiaries and specifically to manage Executive Director remuneration and the remuneration of other designated senior managers.
- **Nominations and Corporate Governance Committee** Responsible for leading the process for new appointments to the Group Board and for keeping under review the structure, size and composition of the Board. It is also responsible for overseeing and monitoring the Group's corporate governance framework, ensuring compliance with the UK Corporate Governance Code while promoting the highest standards of corporate governance across the Group.
- **Group Technology Committee** responsible for providing oversight of, and guidance to, the Board with regards to all aspects of IT, cyber and information security across the Group.

GRC e has delegated oversight of the management of the risks associated with climate change to the Group Environment Committee (GEC).

Matters delegated to the LGAS Audit Committee are as follows:

- To review the effectiveness of the company's systems of Internal Control; and
- To review the company's statutory financial statements and other statutory and regulatory reporting obligations and receive reports from the company's external and internal auditors in relation to the company's business.

The minutes of each of the Group Committees (with the exception of the Group Remuneration Committee) are submitted to the Group Board for information after each meeting and the Chairs of the Committees provide verbal updates to the Board on key items of business discussed, decisions taken and recommendations to the Board.

The Group Chief Executive Officer (CEO) delegates day-to-day operations and decision making in the following way:

- To the Group Capital Committee, which has a group-wide remit and joint decision-making responsibility in relation to certain capital allocation decisions for new product lines, large transactions and capital investments, M&A transactions and other material group-wide capital management and allocation matters that may arise; and
- To individuals, being the Group CEO's direct reports and heads of the Group's business divisions.

Each of the heads of the Group's business divisions then delegate onward to their direct reports the matters for which they have decision-making responsibility in relation to their area.

Each individual's schedule of delegated authorities operates in conjunction with their job description and relevant Risk and Capital Mandate. The Risk and Capital Mandates set the parameters of acceptable risk taking as regards the Group's core product lines and investment risk.

During the year LGAS had the following committees in place to assist the board in the management of the company's Workplace Pensions businesses:

- **Independent Governance Committee (IGC**): The IGC is chaired by an Independent Chairman and is comprised of a majority of independent members, who have been appointed because of their significant pension's industry experience. The IGC provides oversight of the Workplace Pension products specifically to assess the on-going value for money for relevant policyholders delivered by these Registered Pension Schemes.

  The IGC meets six times per annum. The IGC produces an annual report to the company board which is presented by the IGC's Chairman. The minutes of the IGC together with a summary of the key points discussed at the meeting are provided to the Board.
- **The Fund Risk Oversight Committee (FROC):** The FROC meets quarterly and the chair is appointed from within Workplace Savings by the MD and other FROC voting members. The FROC provides oversight of the development, management and operation of Unit-Linked Pension funds which are accessible through LGAS Workplace Pension products. The FROC's voting membership includes senior managers from L&G Retail and the company's Chief Actuary, who is a key function holder. A FROC update is presented to the company board on a half yearly basis.

To provide the LGAS board with the appropriate assurances that the committees are discharging their responsibilities effectively as delegated to them by the board, the board receives the minutes of meetings of these committees in the board papers for noting.

The company's business divisions are supported by the Group Risk, Legal, Finance, HR, IT and Procurement and Internal Audit Functions.

The diagrams in Annex 2 illustrate the Group's Governance framework.

B.1.3 INSURANCE COMPANY SUBSIDIARY GOVERNANCE

The following Legal & General entities are classed as Solvency II regulated insurance companies:

- Legal and General Assurance Society Limited (LGAS); and
- Legal and General Assurance (Pensions Management) Limited (PMC).

LGAS is the regulated entity through which the majority of the Group's UK individual and group insurance, pensions and annuities business is executed. The board of LGAS reports into the Group Board and the minutes of the LGAS board meetings are submitted to the Group Board following each meeting.

PMC is a UK-based insurance entity providing a range of investment products to both UK and international clients. The board of PMC reports into Legal & General Investment Management (Holdings) Limited (LGIMH) and its minutes are submitted to the LGIMH board for noting following each meeting. To the extent material issues arise in relation to the business of PMC, the Group Board has line of sight of these through LGIMH, the minutes of which are submitted to the Group Board following each meeting.

Each entity delegates responsibility for setting and delivering strategy and day-to-day operational matters to the Group CEO subject to the authority delegated to the Group CEO by the Group Board. The Group CEO onward delegates to the heads of the Group's business divisions.

B.1.4 REMUNERATION POLICY AND PRACTICES

B.1.4.1 PRINCIPLES OF THE REMUNERATION POLICY

Remuneration policy is consistent across the Group. In line with our remuneration principles, it is designed to reward, motivate and retain high performers in line with the risk appetite of the Group. The Group operates bespoke bonus plans where appropriate. However, the Remuneration Committee has ultimate discretion over all bonus plans.

Bonuses above a certain threshold are subject to deferral with the deferral amount increasing with the size of the bonus.

A summary of the remuneration structure for employees is shown below.

Base salary	The Group aims to attract and retain key employees by paying salaries which deliver competitive total remuneration. Factors taken into account when determining salaries include: • The nature, size and scope of the role; • The knowledge, skills and experience of the individual; • Individual and overall business performance; • Pay and conditions elsewhere in the Group; and • Appropriate external market data. Salary levels for all employees are reviewed on an annual basis taking into account the above factors. However, this does not mean there is an annual increase for all employees.

Annual variable pay	The majority of employees participate in a discretionary bonus plan, unless an alternative plan applies based on the role. An employee will be considered for a discretionary bonus award based on performance over a one-year period, covering achievement against objectives, conduct and behaviours, the role performed during that year and internal relativities. Variable pay awards are set to ensure an appropriate balance between fixed and variable pay, and are designed to reward performance at the individual, business division, and overall group levels
Performance Share Plan (PSP)	Participation in the PSP is offered to a small number of senior executives each year in recognition of the strategic and influential role that they hold in terms of driving company performance, as well as their individual contribution. Participation in the plan for one year does not guarantee participation in future years. Where appropriate, grants under the PSP may also be made for new employees who join the Group during the year in key roles.
Other share plans and long-term incentives	The Group operates a Share Bonus Plan (SBP) which provides the vehicle for deferral of annual bonuses in some cases and also allows for a limited number of awards of shares to high potential individuals and those with critical skills.
Benefits	All UK employees have access to private medical insurance as well as life insurance and income protection and family friendly policies (maternity, paternity, adoption and shared parental leave).
Employee share plans	All employees are given the opportunity to participate in a ShareSave plan and an Employee Share Purchase plan. These are both HMRC approved plans which offer all UK employees the opportunity to share in the success of the business.
Non-executive Directors (NEDs)	Fees for the Chairman and NEDs are set at an appropriate level to reflect the time commitment required to fulfil the role, the responsibilities and duties of the positions, and typical practice in the FTSE 100 and amongst other financial institutions.

Further details on the remuneration policy can be found in the Directors' Remuneration Report of the Legal & General Group Plc Annual Report & Accounts.

B.1.4.2 PERFORMANCE CRITERIA FOR REMUNERATION

Annual incentives are designed to reward financial and non-financial performance that supports the business strategy, taking into account the Group's risk appetite and personal contribution in the business context that it was delivered. Targets are specific, measurable, set at the beginning of the year and communicated to employees.

For Code Staff in the control functions (internal audit, regulatory compliance and risk), separate performance measures have been designed which exclude any direct linkage to financial performance. Code Staff is a category of role defined under various applicable European Directives (CRDIII & IV, AIFMD, UCITS V, and Solvency II). The name is taken from the FCA's Remuneration Code that interprets and applies these Directives for the UK. Broadly, Code Staff includes roles that are considered to have the authority to take risks that could directly, or indirectly, affect one or more firms within the Group and its investors.

Individual performance assessment is supported by a structured performance management framework. In reviewing an individual's performance against their objectives, the individual's approach to risk management (including environmental, social or governance risks) is considered when determining the overall level of bonus pay out. The bonus policy allows for zero bonus payments to be made when appropriate.

Deferred bonus

Under the Group-wide deferral arrangements a significant proportion of the annual bonus for senior employees is deferred into group shares over a three-year period. The purpose of the deferral plan is to promote the sustainable long-term performance of the Group and to align the interests of our senior management with our shareholders.

Deferred awards for senior employees may be subject to forfeiture if the performance which led to a bonus being paid is found to be incorrect or in the event of personal misconduct. Annual incentive awards (including any deferred element) are subject to malus and clawback for material risk takers.

Long-term incentives

The Group provides long-term incentives which link reward with the long-term success and growth in value of Legal & General. Long-term incentive awards for most group staff are conditional on the satisfaction of total shareholder return (TSR), and financial performance conditions which clearly align reward to the interests of shareholders and provides a degree of risk management (TSR reflects both underlying financial performance and the market's assessment of the quality and sustainability of those earnings). Financial performance has been assessed based on growth in earnings per share. In addition, there is an assessment of the overall Solvency II position.

The Remuneration Committee may exercise its discretion to scale back the vesting of awards if it was felt that the Group's financial performance did not justify the level of vesting (the Committee may not increase the award). The parameters which the Committee uses in making this assessment include market share, partnerships entered into and maintained, cost constraint, capital management, risk and shareholder perception.

Awards under the Group long-term incentive plan are subject to malus and clawback provisions.

B.1.4.3 SUPPLEMENTARY PENSION OR EARLY RETIREMENT SCHEMES

All employees in the UK have the opportunity to participate in a defined contribution pension plan, or receive a cash allowance in lieu of pension, or receive a combination thereof.

There are no supplementary or early retirement schemes.

B.1.5 MATERIAL TRANSACTIONS

There were no material transactions between key management personnel and the Legal & General group of companies during the period. All transactions between the Group and its key management personnel are on commercial terms which are no more favourable than those available to employees in general. Contributions to the post-employment defined benefit plans for the Group were £100m (2021: £109m) and for LGAS were £84m (2021: £86.5m) for all employees.

B.1.6 SOLVENCY II KEY FUNCTIONS

The Solvency II key functions within the Group's overall system of governance are the Risk Management and Solvency II Compliance functions led by the Group Chief Risk Officer; the Internal Audit function led by the Group Chief Internal Auditor; and the Actuarial function, led by the Chief Actuary. The activities of the Risk Management and Solvency II Compliance functions are mandated by the GRC. The Group Board Audit Committee establishes the role of the Group Internal Audit function through a formal Audit Charter. The overall resourcing and effectiveness of the Risk Management, Solvency II Compliance, and Actuarial functions are assessed through a combination of Internal Audit review activity and by the governance forums to which the functions report. The effectiveness of the Internal Audit function is considered by the Group Board Audit Committee which may periodically seek independent external assurance.

Risk management and Solvency II compliance
The Group Chief Risk Officer (Group CRO) leads the Risk Management function, including the Solvency II Compliance function. The Group CRO reports functionally to the Chair of the GRC. Administratively, the Group CRO reports to the Group Chief Executive Officer. The Risk Management function is aligned to the divisional structure, with each division having their own risk management functions. The Group CRO is:

- Independent of the business line, with an independent reporting line to the Chair of the GRC;
- A provider of objective advice and guidance, oversight and challenge for all of the Group's risks; and
- Involved, where appropriate, in all material decisions to influence and provide objective challenge (e.g. products, pricing, projects, strategy, etc).

LGAS has appointed a Chief Risk Officer (LGAS CRO) to lead the Risk Management function for the company, including the Solvency II Compliance function, operating within the policies and frameworks set by the Group. The LGAS CRO reports functionally to the Chair of the LGAS board. Administratively, the LGAS CRO reports to the Group CRO. The LGAS CRO is:

- Independent of the business line, with an independent reporting line to the Chair of the board;
- A provider of objective advice and guidance, oversight and challenge for all of the company's risks; and
- Involved, where appropriate, in all material decisions to influence and provide objective challenge (e.g. products, pricing, projects, strategy, etc.).

The Risk Management function is aligned to the divisional structure, with each division having their own risk management functions.

The CROs have a right to be heard in the setting of business strategy, product approval and capital planning activities, and may request revision to business proposals that may otherwise result in the Group operating outside agreed risk appetite. The Group CRO has authority to set and further refine risk limits within the parameters of the risk appetite agreed by the GRC. The Group CRO has the right of escalation to the GRC on any appropriate matters as they see fit.

Further detail is disclosed on Internal Audit in section B.5, and the Actuarial function in B.6.

B.2 FIT AND PROPER REQUIREMENTS

B.2.1 APPLICATION OF THE POLICY

The Group has in place a fit and proper policy, the purpose of which is to set out the procedures required by regulated firms within the Legal & General group to assess the fitness and propriety of individuals who run these undertakings or who hold other key functions in them.

B.2.2 KEY REQUIREMENTS

In summary the policy requires that each insurance regulated entity, including the company, shall establish, implement and maintain documented policies and adequate procedures to ensure that all persons who are responsible for running the entity or who are responsible for other key functions are at all times fit and proper.

The assessment of fitness and propriety covers the following factors:

- Honesty, integrity and reputation;
- Competence and capability; and
- Financial soundness.

B.2.2.1 LEGAL & GENERAL ASSESSMENT PROCEDURES

In support of the Group policy, defined processes are in place to ensure that the fitness and propriety of applicants is carefully considered before an application to the regulators to grant approval is submitted. An assessment will also be made before a notification is made to the regulators in relation to the appointment of a key function holder.

The Group will not support an application for approval or a notification if it is believed that the candidate fails to meet any element of the fit and proper test.

Each application will be looked at on its own merits, on a case-by-case basis, but the following principle generally applies to all applications:

- Has the candidate been open and honest with Legal & General and disclosed all relevant matters.

If the candidate has disclosed any incidents pertaining to their fitness and propriety, the following will be considered:

- The seriousness of the issue and the relevance to the specific role applied for;
- The passage of time since the incident occurred; and
- Whether the issue relates to an isolated incident or whether there is a pattern of adverse behaviour.

Fit and proper assessment criteria have been developed and each application will be considered against these criteria, regardless of the current approved status of the individual.
The criteria are:

- Knowledge – does the individual have generic knowledge of the industry sector and specific knowledge of the firm;
- Qualifications – does the individual have prerequisite or supporting relevant qualifications;

- Skills – does the individual demonstrate the appropriate level of business and interpersonal skills;
- Behaviour – does the individual demonstrate the appropriate attitudes and standards of ethical behaviour; and
- Expertise – does the individual achieve positive and fair outcomes and meet performance standards expected of the post.

The assessment criteria are also relevant in assessing the continuing fitness and propriety of approved persons.

B.2.2.2 MAINTAINING FITNESS AND PROPRIETY

Annually, individuals will be required to certify that there has been no change to the information provided at the point of approval and consequently, the fitness and propriety status is unchanged. The Group's Policies and Procedures place an obligation on approved persons to notify the Group Compliance and Conduct Risk Director and Group HR Director in the event of any pending or actual criminal, civil or other disciplinary charges, judgements, petitions for bankruptcy, or other actions or disciplinary measures whatsoever, against them or any entity, body or other entity with which he/she is, or has been, associated.

Should such a notification occur, the Group will assess the information to decide whether the individual remains fit and proper. If the assessment ultimately concludes that the individual can no longer remain as an approved person, a notification will be made to the regulators in line with the regulatory requirements.

The Group's performance management process is the primary mechanism for tracking on-going competency, and the Group will take appropriate steps to monitor an individual's financial soundness on an on-going basis.

B.3 RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT

B.3.1 RISK MANAGEMENT SYSTEM

Legal & General deploys a 'three lines of defence' risk governance model, whereby:

- Business divisions are responsible for risk taking within the parameters of our risk appetite and accountable for managing risks in line with our risk policies;
- Risk functions led by the Group CRO and the LGAS CRO provide objective challenge and guidance on risk matters; with
- Group Internal Audit providing independent assurance on the effectiveness of business risk management and the overall operation of the risk framework.

Understanding the risks to which we may be exposed and deploying strategies to ensure residual exposures remain within acceptable parameters is an integral part of our business. We seek to deeply embed the necessary capabilities to assess and price for those risks that we believe offer sustainable returns within each of our operating businesses, as well as ensuring the skill sets to closely manage those risk factors which could otherwise lead to unexpected outcomes. Our risk management framework supports informed risk taking by our businesses, setting out those rewarded risks for which we accept exposure, and the risks that we want to avoid, together with risk limits and standards of internal control to ensure exposures remain within our overall risk appetite.

B.3.1.1 RISK APPETITE

The risk appetite statements set out our overall attitude to risk, and the ranges and limits of acceptable risk taking. The GRC leads an annual review of the Group's risk appetite, assessing the continued appropriateness of our key measures and tolerances relative to the risk exposures of the Group. Additionally, as part of the annual planning cycle, assessment is made of the level of risk taking proposed in the Group plan and the capacity for risk taking within the overall appetite framework.

The Group's risk appetite is approved by the Group Board on the recommendation of the GRC and the Group Chief Executive Officer. The regular management information received by the Group Board and GRC includes the Group's risk appetite dashboard setting out actual positions relative to the key targets and limits set in our risk appetite.

LGAS's risk appetite is approved by the company's board. The company's risk appetite is set with regard to, but not unduly influenced by, the Group's risk appetite. The regular management information received by the company board includes the company's risk appetite dashboard setting out actual positions relative to the key targets and limits set in our risk appetite.

B.3.1.2 RISK TAKING AUTHORITIES

The parameters of acceptable risk taking defined within the Group's and LGAS's risk appetite are cascaded to business managers through 'Risk and Capital Mandates', empowering managers to make decisions that are consistent with the Group's appetite for risk.

Mandates articulate the product types and features that may be written; the asset classes that may be held; the target capital positions and ranges of earnings volatility within which the overall profile of risks should be managed; and tolerances for specific risk exposures. Activities that would result in a business operating outside agreed parameters require formal approval.

B.3.1.3 RISK POLICIES

Risk control

We set formal policies for the management of market, insurance, credit, liquidity and operational risks. The policies specify our overall strategies for ensuring each risk type is managed in line with our risk appetite and the minimum control standards that should be applied in managing our significant risk exposures.

Risk mitigation

We deploy a range of risk management techniques to manage and mitigate risks, so as to control risk exposures in line with our risk limits. For example, we use derivative instruments to hedge unrewarded risks as part of our asset liability management activity, and reinsurance programmes to transfer significant aggregations and concentrations of insurance risk exposures. Our framework of controls includes documented underwriting policies and structured delegated pricing and underwriting authorities. It also includes investment policies which take into account the nature of our liabilities, guarantees and other embedded options given to policyholders.

B.3.1.4 RISK IDENTIFICATION AND ASSESSMENT

Review process

We operate a risk identification and assessment process under which all our businesses regularly consider changes in the profile of existing and emerging risks. The assessment process evaluates the risks that are inherent in our products as well as those that are presented from changes in the environments that we operate in.

Own Risk and Solvency Assessment (ORSA)
Our risk identification and assessment process forms part of our broader 'own risk and solvency assessment' process, our on-going assessment of the risks to which the Group is exposed and an evaluation of the sufficiency of resources to sustain the business strategy over the horizon of the Group plan.

B.3.1.5 RISK MANAGEMENT INFORMATION

Our risk management information framework is structured to support the review of on-going and emerging risks and assess actual risk positions relative to the risk limits and targets that we set.

B.3.1.6 RISK OVERSIGHT

The Group CRO, who is independent of the business line, supports the Group Board and its Risk Committee in articulating acceptable risk taking and ensuring the effective operation of our risk and capital framework. This includes on-going assessment of the Group's capital requirements to confirm that they meet regulatory solvency requirements. Similar support is provided by the LGAS CRO to the company board.

The Group and LGAS CROs also provide objective challenge and guidance on a range of risk matters to business managers, including the risks implicit in product developments, business transactions and new asset classes, and strategies for managing risks in line with the Group's and LGAS's overall risk appetite.

B.3.1.7 RISK COMMITTEES

The Group Board has ultimate responsibility for the Group's risk management framework. The Group Board's Risk Committee supported by the Group CRO, serves as the focal point for risk management activities. Details of the operation of the GRC are set out in the Legal & General Group Plc Annual Report & Accounts.

The Chair of the LGAS board is a member of GRC and the company's CRO attends the GRC. Relevant papers are discussed at the LGAS board, and all papers with an impact on LGAS are made available to the LGAS board for information.

Beneath the GRC is a structure of formal risk oversight committees providing more focused review and challenge of specific risks to the Group, and reviewing the effectiveness of frameworks in place to manage those risks. The Group and LGAS boards own:

- The overall Risk Management framework; and
- The Group's and LGAS's risk appetite statements respectively.

The Group Board is the ultimate owner of the Group's regulatory relationships.

The GRC ensures the effectiveness of the overall risk management system and recommends to the Group Board material changes in risk appetite.

The Executive Directors are accountable for:

- The implementation and operation of the risk management system;
- Identifying, measuring, managing, monitoring and reporting risks within the business;
- Ensuring all business decisions are informed by risk-based measures by reference to the agreed risk appetite statements wherever appropriate; and

- Ensuring appropriate risk taking and risk assurance resources are in place.

The Group CRO leads the risk management function which provides the second line of defence across the Group.

Group Internal Audit provides the third line of defence across the Group. It provides assurance to the Group and LGAS Audit Committees, Executive Directors and risk management function that the design and operation of the risk management system is appropriate for all risk types.

B.3.2 OWN RISK AND SOLVENCY ASSESSMENT (ORSA)

The purposes of the ORSA are to assess our risks and to evaluate whether we have sufficient financial resources to sustain the business strategy over the plan horizon across a range of scenarios. The Group ORSA process covers each Solvency II regulated insurer and the Group as a whole, including non-UK/EU entities and non-insurance entities.

The ORSA process brings together, and is integrated with, our risk and capital management processes by which we identify, assess, monitor and measure our risks, review our business against risk appetite and tolerances and project the solvency position over the business plan. The ORSA cycle is aligned with the strategic and business planning process so that the key elements can interact and inform forward-looking decision-making.

Both Group and LGAS boards are active in the ORSA and risk and capital management processes during the year. The ORSA policy was last reviewed by the GRC on behalf of the Group and LGAS boards in August 2022. The last ORSA report was approved, on behalf of the Group Board, by the GRC and by the LGAS board in February 2023.

Integration of group and subsidiary ORSA processes

The Group is managed on a divisional basis. As such, ORSA (i.e. risk and capital management) responsibilities follow the Group's divisional management structure. Regular ORSA processes are aligned with the strategic and business planning process, with divisions providing key ORSA inputs in line with the planning timetable and various group functions coordinating and/or aggregating.

In line with previous ORSAs and our PRA waiver, the Group and LGAS ORSA report is a single document. This reflects the involvement of LGAS in most of the Group's businesses. Other insurance entities produce a solo ORSA (or equivalent) report.

The core stages to the Group's ORSA process are as follows:

- Q1: review ORSA framework and policy along with lessons learned and feedback from the GRC from the previous ORSA cycle
- Q2: stress and scenario tests determined and recommended in order to provide divisions with sufficient time to model the results of those tests
- Q3: projections of capital requirements as part of the annual planning process; stress and scenario testing results inform the review of the plan
- Q4: formal ORSA reporting, including the CRO's review of the Plan and ORSA reports

Throughout the year, the Group monitors its performance against the current plan as well as monitoring risk and capital management information (MI).

B.3.3 GOVERNANCE OF THE INTERNAL MODEL

The Group Board is ultimately responsible for ensuring the continued appropriateness of the design and operation of the Group's partial internal model (the Internal Model). This responsibility is discharged through the GRC, whilst the Group Risk Financial Risk Committee (GRFRC) oversees Internal Model activities. The overall appropriateness and effectiveness of the Internal Model depends upon the effective operation of the Group's and LGAS's established internal control system.

First line business management are responsible for implementing adequate and effective controls over the Internal Model as well as the Group's material product risk exposures, with the on-going application and effectiveness of these overseen by second line group and divisional risk teams and by Group Internal Audit in the third line of defence. Material concerns are escalated to operational and senior management for resolution. The status of remediation activity is monitored by group and divisional risk teams, with significant issues escalated to the GRFRC and where necessary to the GRC.

This approach has ensured the implementation of adequate controls over the on-going appropriateness of the design and operation of the Internal Model, and these controls are subject to effective governance and oversight.

The Group Internal Model Governance Policy sets out the governance framework in place for the Group's Internal Model designed to mitigate model risk. This complements the Group's existing system of governance, highlighting specific requirements in respect of the Internal Model to ensure that it operates properly on a continuous basis, including ensuring that controls relating to the Internal Model are implemented in accordance with the Group Internal Control Policy and are adequate and effective at all times.

The Internal Model governance framework is outlined in the table below:

Board/Committee	Responsibilities
Group Board	Ensuring the on-going appropriateness of the design and operation of the Internal Model. This responsibility is discharged through the GRC, subject to certain matters being reserved for its direct attention.
Legal entity boards	Ensuring the on-going appropriateness of the design and operation of their parts of the Internal Model; use and challenge of the model in decision making; ensuring that the model's scope remains appropriate; and ensuring that appropriate validation is performed.
Group Risk Committee (GRC)	Monitoring the performance and appropriateness of the Internal Model, including ensuring that related controls are adequate, effective, and implemented in line with the Group's Internal Control Policy.
Group Risk Financial Risk Committee (GRFRC)	Overseeing the design, development and operation of the Internal Model to ensure that it operates as expected on a continuous basis to meet the Group's regulatory and economic requirements for risk-based capital management. This includes reviewing the effectiveness of internal controls as they relate to the Internal Model through the receipt of relevant reports and MI.

B.3.3.1 INTERNAL MODEL CONTROLS

The first line business divisions are responsible for operating a robust control framework to manage exposures and mitigate unacceptable outcomes (per the Group's risk appetite). This includes the implementation of controls to mitigate key risks associated with the processes that they are responsible for, and to ensure that these are regularly reviewed and remain fit for purpose. Day-to-day responsibility for ensuring that internal controls are in place and are operating effectively over Internal Model related processes is delegated to Internal Model

Controllers (IMCs). IMCs provide first line management of the Internal Model across all relevant legal entities and business divisions. Key responsibilities include ensuring compliance of their area with the requirements of the Group Internal Model Governance Policy and the Group Internal Control Policy.

Oversight of the internal control system is provided by the Group and divisional risk teams.

B.3.3.1.1 CHANGES OVER THE REPORTING PERIOD

There were no significant changes in respect of Internal Model governance over the reporting period.

B.3.3.1.2 INTERNAL MODEL VALIDATION

The Group validation policy and associated standards define the Group's validation framework, and capture the requirements of the PRA Rulebook and relevant EU regulations. The framework requires an annual validation cycle for the Group's partial internal model (the Internal Model). This has been performed in relation to the production of the SCR as at 31 December 2022. The objective is to produce a robust, proportionate and demonstrably complete approach to validation overseen by the Group Chief Risk Officer.

There is an annual assessment of which aspects of the Internal Model must be independently validated. Independent validation is carried out mainly by the second line, sometimes by a first line team from a different business division, or sometimes by an external party. Independent validators must demonstrate how independence is met and state any limitations on independence.

Requirements for each annual cycle are specified in the Validation Terms of Reference. Respective validators outline approach, activities, tools and aspects of the model in Validation Work Programmes. The results, conclusions and consequences including remediation are detailed in independent validation reports or validation reports prepared by the first line. These are presented to GRFRC for approval.

Validation activity
Internal Model validation activity for the reporting period covered the whole of the Internal Model. The level of validation undertaken was consistent with the level of risk incurred. Independent validation was performed on those areas identified as most material to the Internal Model's operation and results. The outputs are validation reports, highlighting key findings, strengths, weaknesses, limitations and remediation actions.

B.4 INTERNAL CONTROL SYSTEM

The Group's internal control policy requires that each division's internal control system shall at least include administrative and accounting procedures, an internal control framework, appropriate reporting arrangements at all levels of the undertaking and a compliance function.

The Group's internal control framework seeks to ensure that:

- An organisational structure is defined, with clarity of roles, responsibilities and reporting lines;
- Appropriate management information and reporting processes are defined;
- Frameworks for decision making (including the delegation of authority) are articulated;
- Clear segregation of duties is in place;
- Conflicts of interest are managed;

- Administrative and accounting procedures are aligned with group requirements;
- Personnel have sufficient skills, knowledge and expertise to discharge their responsibilities (including those relating to the regulatory environment);
- Adequate and orderly records of business are maintained;
- The security of customer data and other internal records is ensured;
- Business procedures combat financial crime;
- Processes are in place to deal with policyholder claims and complaints;
- The integrity of manual and computerised business systems is ensured; and
- Processes ensure assessment of the possible impact of any changes in the legal environment.

The Group's Board and Audit Committee, alongside the principal subsidiaries' operating boards and respective Audit Committees, oversee the adequacy and effectiveness of the internal control framework, primarily through the receipt of assurances in support of the UK Corporate Governance Code, and reports from Group Internal Audit, external auditors, and risk teams in the second line of defence.

B.4.1 SOLVENCY II COMPLIANCE FUNCTION

The Group has defined the Solvency II compliance function as being responsible for:

- Advising the Group and LGAS boards and its sub-committees on compliance with the requirements of the Solvency II Directive[2] and its associated laws, regulations and administrative provisions;
- Advising the Group and LGAS boards on the possible impact of any changes in the legal environment on operations of the undertaking concerned and the identification and assessment of compliance risk;
- Developing and managing the Group and LGAS Solvency II Compliance Policy, which inter alia sets out the responsibilities, competencies and reporting duties of the (Solvency II) compliance function; and
- Establishing and operating the Group and LGAS Solvency II Compliance Plan that details the activities the function will undertake in relation to compliance risk.

The Group has defined the Group CRO role as the functional head of Solvency II Compliance at the Group level, with the Risk, Actuarial, Group Finance and HR functions delivering activities in support of the Solvency II group level compliance function. The LGAS CRO is the functional head of Solvency II Compliance at an LGAS level, with the Solvency II Group Level Compliance Function supporting this.

The Group's Solvency II Compliance Plan is defined as the review activities performed by the compliance function to support it in advising the Group Board and its sub-committees on compliance in relation to Solvency II matters.

B.5 INTERNAL AUDIT FUNCTION

Group Internal Audit (GIA) is an independent and objective assurance and advisory function whose primary role is to support the Group Board and Executive Management in the protection of the assets, reputation and sustainability of the Group. GIA's responsibilities towards LGAS align with its responsibilities towards the Group.

2. Directive 2009/138/EC of the European Parliament.

GIA also supports Group and LGAS Executive Management in accomplishing business objectives by adopting a systematic and disciplined approach to the evaluation and improvement of the design and effectiveness of the Group and LGAS risk management, control and governance processes.

Group Internal Audit carries out:

- Independent reviews and audits of the controls mitigating the key risks in all areas of the business, prioritised according to the relative risk of each assignment as determined by the Group Chief Internal Auditor (GCIA) in conjunction with senior management;
- Reviews of major business change initiatives; and
- Reviews of the risk management and internal control processes.

GIA's work may also include reviewing relevant 'lessons learned' analyses following significant adverse events. The role of GIA's involvement in any events will generally be determined as part of the audit planning process or on an ad hoc basis, where required.

GIA is responsible for the development of an internal audit plan, with a corresponding delivery timetable and budget. The plan typically details proposed audits over the next twelve months. GIA reviews the plan regularly and advises the Group and LGAS boards, through the Group and LGAS Audit Committees, of any material alterations to it. Any impact of resource limitations and significant interim changes are communicated promptly to the Group Audit Committee.

The Internal Audit plan is developed using a risk-based methodology, including input from executive and non-executive senior management. Any significant deviation from the approved internal audit plan is communicated through the activity reporting process.

The scope of GIA's role encompasses, but is not limited to, the examination and evaluation of the adequacy of the governance, risk management and internal control processes in relation to the Group and LGAS defined goals, risk appetite and objectives. There is no aspect of the Group from which GIA is restricted from incorporating in its scope as it delivers on its mandate. Internal control objectives considered by Group Internal Audit include:

- Effectiveness of design and operation of processes and their actual outcomes, assessed against the Group's established values, ethics, risk appetite and policies;
- The appropriateness of the organisation's risk and control culture, including the attitude and approach taken by all levels of management to risk management and internal control;
- Efficiency of operations, and use of resources;
- Compliance with policies, plans, procedures, laws and regulations;
- Reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information; and
- Safeguarding of assets.

The GCIA reports functionally to the Chair of the Group Audit Committee and administratively to the Group Chief Executive Officer. The GCIA has right of attendance at all or part of any of the Group's governance and risk committees.

A written audit report is issued by the GCIA (or designee) following the conclusion of each audit and is distributed as appropriate. Significant audit reports are communicated to the Group and LGAS Audit Committees (as appropriate) through the GCIA's Audit Committee reports.

The Internal Audit activity remains free from interference by anyone within the Group and LGAS. This includes the choice of business areas to audit, procedures, frequency, timing, or the content of the Group Internal Audit reports. This ensures that Group Internal Audit can maintain a necessary independent and objective perspective.

Internal auditors have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditors' judgement.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and will not lose their objectivity when forming judgements.

The GCIA confirms to the Group Audit Committee, at least annually, the organisational independence of Internal Audit activity.

B.6 ACTUARIAL FUNCTION

The actuarial function is split along legal entity lines, with the principal operating subsidiaries having actuarial functions. Entities in the US and Bermuda have their own actuarial teams but are not EEA insurers. They are therefore supported by the Group Actuarial Function team in respect of Solvency II reporting.

The PRA requires that firms should appoint a Chief Actuary who should fulfil the role of Head of Actuarial Function (a role that is not required by the Directive) and hold the Chief Actuary role as set out under the PRA's senior insurance managers regime. For Legal & General, Actuarial Functions (and Chief Actuaries) are required for LGAS and PMC. Additionally, a Group Chief Actuary is required for the Group Actuarial Function.

The Chief Actuary of each entity presents an annual report to their respective Boards summarising the activities of the actuarial function that:

- Supports compliance with the requirements on the calculation of technical provisions (TPs);
- Provides the opinions on the underwriting policy and reinsurance arrangements; and
- Contributes to the effectiveness of the risk management systems more widely.

These reports are shared with the Group Chief Actuary.

The requirements covering TP calculations are addressed through various activities, including, in particular, Actuarial Function reviews of divisional and entity level calculations and the membership of oversight committees. A number of reports during the year were provided to the Group and LGAS boards on the data, models, methodologies, assumptions and results of the Solvency II TPs calculation.

Oversight of underwriting and reinsurance by the Actuarial Function is provided by regular discussions with key business division personnel from both the first and second lines, review of papers and attendance of pricing and capital committees (or sub-committees) to provide input and challenge to pricing, reinsurance and capital requirements for new business. Business division reports are produced annually on underwriting and reinsurance.

Each Chief Actuary (including the Group Chief Actuary) provides an overall report and opinion to their respective boards.

The Actuarial Functions contribute to the effective implementation of the risk management system through various activities and the membership of a number of key divisional, entity and group Committees with risk and financial reporting responsibilities. Areas of focus include: the Internal Model and SCR; the ORSA; identifying, measuring and monitoring risks; Asset Liability Matching (including Matching Adjustment and liquidity management); product pricing; financial reporting; business plans; and Part VII transfers.

The Chief Actuaries have a right to be heard in the setting of business strategy, product approval and capital planning activities, and may request revision to business proposals that may otherwise conflict with the overall underwriting policy or the adequacy of reinsurance arrangements.

The LGAS Chief Actuary reports functionally to the LGAS CRO and is a standing attendee at the LGAS board. The LGAS Chief Actuary shares copies of all Actuarial Function reports with the Group Chief Actuary. The Group Chief Actuary has the right of escalation to the GRC on any appropriate matters as he or she sees fit.

B.7 OUTSOURCING

The Group's Outsourcing and Essential Supplier Services Policy sets out the framework and minimum standards of control and governance that the Group expects to be applied in the management of risks associated with outsourced supplier service arrangements across the Group, including LGAS. The policy specifies that an activity should not be outsourced where it would materially impair the quality of the Group's system of governance; unduly increase the Group's exposure to operational risk; impair the ability of supervisory authorities to monitor the Group's compliance with its obligations; or undermine continuous and satisfactory service to the Group's policyholders.

The policy requires that for all outsourced arrangements a rigorous evaluation and supplier selection process is undertaken having regard for the financial stability, resilience, expertise, ability and capacity of the supplier to deliver the required service. The policy also specifies that a written contract must be in place which includes: a service level agreement; the conditions under which the arrangement may be terminated; provisions for the orderly transition of services to another provider or the Group if the contract is terminated; a defined mechanism to resolve disputes arising out of or relating to the contract; appropriate contingency plans should the supplier be unable to provide the required service; and provision for the continued availability of any software upon which the Group is reliant. Contracts must also ensure access to the providers' premises, business management and any data relating to the outsourced activity, by the Group's Internal Audit, Risk and Compliance functions, its external auditors and Supervisory Authorities; and appropriate warranties that Legal & General and client data is adequately protected against unauthorised access at all times. All outsourced arrangements must be managed under the direction of a named Legal & General relationship manager. The Risk Function maintains oversight of the management of outsourcing arrangements established by the first line business operations.

A number of outsourcing arrangements are used by the Group and LGAS, either directly or through relationships established by the broader Legal & General relationship manager, for a range of operational functions and activities. The material outsourcing arrangements include those for the provision of the following:

- IT infrastructure, operations support and development;
- Data storage and hosting;
- Telephony and data connectivity services;

- Document printing and fulfilment activities; and
- Fund pricing and valuations.

Service providers for these activities are primarily based in the UK, Ireland and India.

Insourcing is the use by one group company of another group company for the supply of business facilities or services. Both the Group's and LGAS's core insourced relationships are as follows:

- Investment management services provided by Legal & General Investment Management Limited (LGIM);
- Treasury services by Legal & General Finance Plc; and
- Employee, IT (through the Group's shared service IT function), and procurement services by Legal & General Resources Limited.

Legal & General Resources Limited is the main employment company for staff in the UK, and is also the company through which group-wide contracts for the supply of goods and services for Legal & General's UK businesses are placed.

B.8 ANY OTHER INFORMATION

B.8.1 ADEQUACY OF THE SYSTEM OF GOVERNANCE

The Group Executive Risk Committee (which reports to the GRC) undertakes an annual review of the Group's risk management framework and broader system of governance (which includes LGAS) to confirm its adequacy given the nature, scale and complexity of the risks inherent in its business. The most recent review was in February 2023, where the Committee concluded that the Group's risk framework aligns with the Group's key risk exposures, and operated effectively during 2022 in identifying material risk exposures.

B.8.2 SENIOR MANAGERS AND CERTIFICATION SCHEME

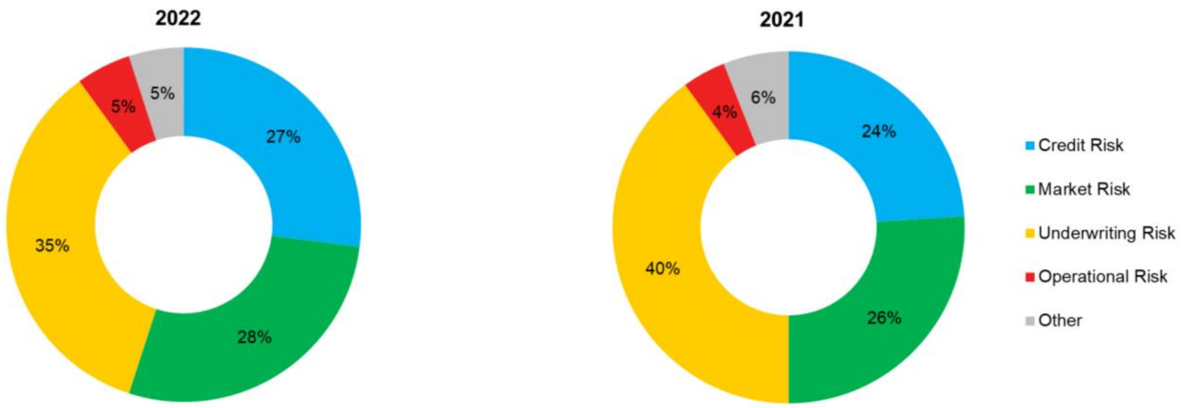
In line with requirements of the Senior Managers and Certification Regime, which was introduced from 10 December 2018, both the Group and LGAS have implemented a framework identifying material risk takers, the annual certification of senior managers of prescribed functions, prescribed responsibilities, individual accountability, the reporting of breaches to the regulator and additional training.

C. Risk Profile

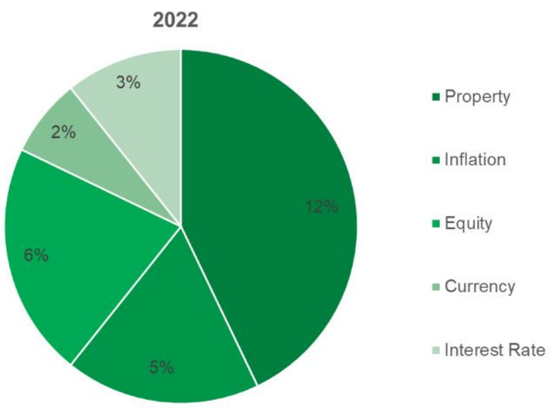
Measures used to assess risks

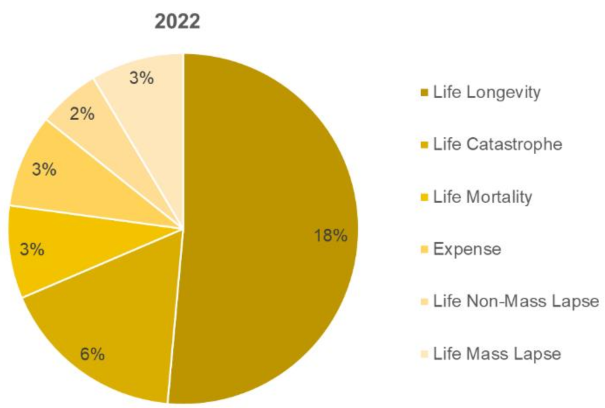
Our risk-based capital model (the Internal Model) seeks to provide a quantitative assessment of both the Group's and LGAS's risk exposures. It forms part of the suite of tools that we use to evaluate our strategic plans, set risk appetite, allocate capital and evaluate product pricing. We also use our capital model to assess significant transactions, including large pension risk transfer deals. The key output from our capital model is the generation of capital requirements. We calibrate our model to a 99.5% value at risk confidence level over one year, equivalent to ensuring that we hold sufficient capital to survive our assessment of a 1-in-200 year event. In terms of capital requirement, credit and longevity risks remain our most significant risks. Market risks, which includes equity, property and interest rate risks, are also material risks for which we hold capital.

Below is the percentage breakdown of the Group's pre-diversified Solvency Capital Requirements by major risk categories on a regulatory basis:



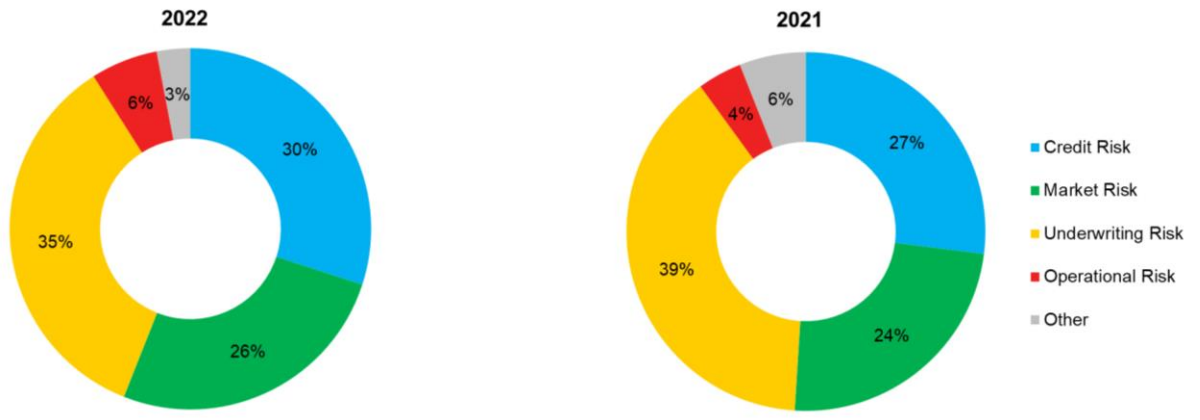
A further breakdown of market and underwriting risks in 2022 is shown below:



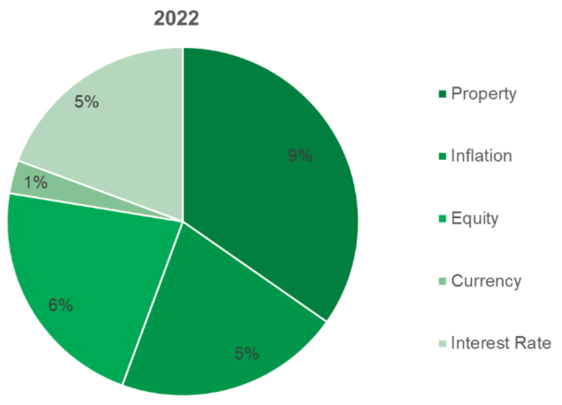


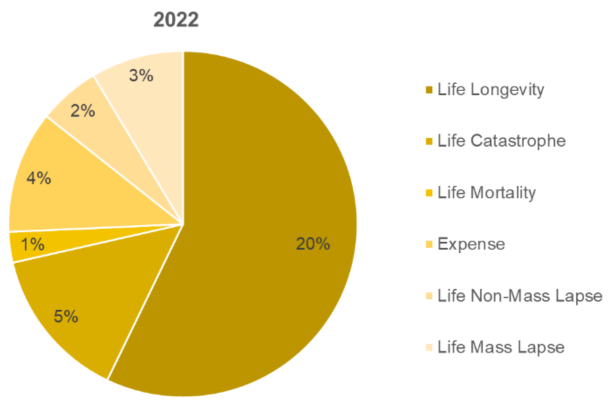
The financial risks associated with LGIM's businesses are directly borne by the investors in its funds and therefore do not contribute directly to the risk disclosures above.

Below is the percentage breakdown of LGAS pre-diversified Solvency Capital Requirement by major risk categories on a regulatory basis:



A further breakdown of LGAS market risk and underwriting risks in 2022 is shown below:





Prudent Person Principle

All investments held by insurance and reinsurance undertakings should be managed in accordance with the ‘Prudent Person Principle’. The Prudent Person Principle requires companies to only invest in assets and instruments:

- whose risks can be properly identified, measured, monitored, managed, controlled and reported;
- that ensure the security, quality, liquidity and profitability of the portfolio as a whole;
- that are appropriate to the nature and duration of insurance and reinsurance liabilities; and
- that are in the best interest of policyholders and beneficiaries.

The Group and LGAS risk appetite for credit and market risk is set in accordance with the Prudent Person Principle. Group credit risk, market risk, liquidity risk and asset liability management policies define the Group’s policy for the management of assets and the framework that supports its practical application, and have been defined in line with the Group risk appetite and the Prudent Person Principle.

The policies are applicable to all entities in the Legal & General Group and any exemptions from the policy must be authorised by the Group CRO.

All divisions are required to invest their assets in line with group policies. Compliance with the Group policies is monitored through the Group's risk framework described in Section B. System of Governance above. The following processes support the Group in ensuring it meets the Prudent Person Principle:

- Risk and Capital Mandates set out the parameters of acceptable risk taking, including the approach taken to ensuring investment decisions are made in accordance with the Prudent Person Principle;
- It is the responsibility of each business to ensure that adherence to the Risk and Capital Mandates are appropriately monitored with any exceptions escalated to the divisional risk committees and relevant group committees; and
- The Group Risk Financial Risk Committee oversees the effectiveness of the overall framework for managing compliance with the Prudent Person Principle.

C.1 UNDERWRITING RISK

C.1.1 RISK EXPOSURE AND CONTROLS

Both the Group and LGAS are exposed to underwriting (also known as insurance) risk as a consequence of offering the principal products outlined in Section A.1.3. Underwriting risk is the exposure to loss arising from experience being different to that anticipated. Detailed below are the principal underwriting risks to which the Group and LGAS are exposed, presented by reference to the Group's business divisions, with associated mitigating activities:

Principal risks	Division	Control to mitigate the risk
Longevity, mortality & morbidity risks		
For contracts providing death benefits, higher mortality rates would lead to an increase in claims costs. The cost of health related claims depends on both the incidence of policyholders becoming ill and the duration over which they remain ill. Higher than expected incidence or duration would increase costs over the level currently assumed in the calculation of liabilities.	Retail	The pricing of protection business is based on assumptions as to future trends in mortality and morbidity having regard to past experience. Underwriting criteria are defined setting out the risks that are unacceptable and the terms for non-standard risks presented by the lives to be insured. Extensive use of reinsurance is made within the UK retail protection business, placing a proportion of all risks meeting prescribed criteria. Mortality and morbidity experience is compared to that assumed within the pricing basis with variances subject to actuarial investigation.
For annuity contracts, the Group is exposed to the risk that mortality experience is lower than assumed. Lower than expected mortality would require payments to be made for longer and increase the cost of benefits provided. Lifetime mortgage business also explicitly has some exposure to the life expectancy of borrowers.	LGRI and Retail	Annuity business is priced having regard to trends in improvements in future mortality. Enhanced annuities, which are priced taking account of impairments to life expectancy, are subject to specific underwriting criteria. Certain annuitant mortality risks, including enhanced annuities, are placed with reinsurers. The Group regularly reviews its mortality experience and industry projections of longevity and adjusts the pricing and valuation assumptions accordingly. In pricing lifetime mortgage business, account is taken of trends in mortality rates in setting the amounts that are advanced to borrowers relative to the value of the property on which the loan is secured.

Persistency risk		
In the early years of a policy, lapses may result in a loss to the Group, as the acquisition costs associated with the contract would not have been recovered from product margins.	Retail	The pricing and valuation assumptions for protection business include provision for policy lapses. Actual trends in policy lapse rates are monitored against these assumptions with variances being subject to actuarial investigation.
Expense Risk		
In pricing long-term insurance business, assumptions are made as to the future cost of product servicing. A significant adverse divergence in actual expenses experience could reduce product profitability.	LGRI and Retail	In determining pricing assumptions, account is taken of expected price and wage inflation, with stress testing used to evaluate the effect of significant deviations. Actual product servicing costs are monitored relative to the costs assumed with the product pricing basis, with variances investigated.
Concentration (catastrophe) risk		
Insurance risk may be concentrated in geographic regions, altering the risk profile of the Group. The most significant exposure of this type arises for group protection business, where a single event could result in a large number of related claims.	Retail	Group protection business contracts include an ‘event limit’ capping the total liability under the policy from a single event. Excess of loss reinsurance further mitigates loss from the exposure. Additionally, exposure by location is monitored to ensure there is a geographic spread of risk. Catastrophe reinsurance cover also mitigates loss from concentrations of risk.
Epidemic (catastrophe) risk		
The spread of an epidemic could cause large aggregate claims across the Group’s portfolio of protection businesses.	Retail	The pricing basis for protection business includes an assessment of potential claims as a result of epidemic risks. Quota share and excess of loss reinsurance contracts are used by individual and group protection, respectively, to further mitigate the risk. Depending on the nature of an epidemic, mortality experience may lead to a reduction in the cost of claims for annuity business. Pricing for new business can also be updated to reflect the change in expected claims.

C.1.2 INSURANCE SPECIAL PURPOSE VEHICLES (SPVS)

Both the Group and LGAS have no SPVs authorised under Article 211 of the Solvency II Directive.

C.1.3 RISK CONCENTRATION AND MANAGEMENT

There is limited potential for single incidents to give rise to a large number of claims across the different contract types written by the Group and LGAS. However, there are potentially material correlations of insurance risk with other types of risk exposure. The Group's and LGAS's capital model seeks to measure risk correlations particularly those that would tend to be more acute as the underlying risk scenarios become more extreme. An example of the accumulation of risk is the correlation of reinsurer counterparty risk with mortality and morbidity exposures.

While exposure to concentration risk is an inherent aspect of writing insurance business, we have limited appetite for the scale or frequency of events anticipated in product pricing materially diverging from expectations as a consequence of significant accumulations of exposure to a single event or counterparty. Where required, we will set limits on the aggregate values for individual lives that we will insure, and the minimum geographic spread of insurance business that we will accept. Reinsurance arrangements are also used to mitigate our risk.

Concentrations of risk are reported as part of the Group's risk monitoring and reporting framework. The risk management reports presented at divisional and group risk committees provide both qualitative and quantitative information on concentration risks, as well as on material risk drivers and mitigating actions taken where exposures are outside acceptable tolerances.

C.2 MARKET RISK

C.2.1 RISK EXPOSURE AND CONTROLS

The Group and LGAS are exposed to market risk as a consequence of offering the principal products outlined in Section A.1.3. Market risk is the risk of adverse financial impact resulting, directly or indirectly, from fluctuations in interest rates, foreign currency exchange rates, equity indices and property prices. Market risk arises due to fluctuations in both the value of liabilities and the value of investments held.

Detailed below are the principal market risks to which the Group and LGAS are exposed:

Principal risks	Product/ Division	Controls to mitigate the risk
Investment performance risk		
The Group is exposed to the risk that the income from, and value of, assets held to back insurance liabilities and capital requirements do not perform in line with investment and product pricing assumptions leading to a potential financial loss.	Retail, LGRI and LGC	Models are used to assess the impact of a range of future return scenarios on investment values and associated liabilities in order to determine optimum portfolios of invested assets. For annuities, which are sensitive to interest rate and inflation risk, analysis of the liabilities is undertaken to create a portfolio of securities, the value of which changes in line with the value of liabilities when interest rates change.
For unit linked contracts, there is a risk of volatility in asset management fee income due to the impact of interest rate and market price movements on the fair value of the assets held in the linked funds, on which investment management fees are based. There is also the risk of expense over-runs should the market depress the level of charges which could be imposed.	Retail and LGIM	The risk is managed through maintaining a diversified range of funds in which customers may invest. The performance of linked investment funds relative to their investment objectives is subject to regular monitoring. Periodic assessment is also made of the long-term profitability to the Group of these funds. For some contracts the Group has discretion over the level of management charges levied.
Property risk		
Lifetime mortgages include a no-negative equity guarantee which transfers a potential loss exposure to the Group as a result of low house price inflation and an exposure to specific properties which may experience lower house price inflation for whatever reason.	Retail and LGRI	To mitigate the risk, maximum loan to value ratios are set for all lending with further underwriting criteria setting out acceptable properties for lending purposes. Policy terms also require properties to be fully insured and maintained, including the right of inspection. The diversification of lending by property type and geographic region seeks to control exposures to specific aspects in the property market.
LGC businesses build homes across the residential market, invest in large commercial and residential development projects and manage several developed real estate assets. The Group's revenue streams are exposed to residential sales achieved, as well as the volume of transactions, both of which may be affected by the performance of the housing market. Revenue streams may also be impacted by significant increases in the cost of raw materials or disruption to supply chains. Independent valuations of real estate assets, either in development or developed, also depend on an assessment of the wider real estate market.	LGC	Diversification by geographic region and property type avoids concentration of exposures to specific areas of the property market. Sites are developed in a number of phases to spread the risk to local markets over several years and where possible we seek to co-invest with local experts to manage assets. The purchasing of new land for development requires approval from LGC's Investment Committee and the Group Capital Committee. Where appropriate, key methods are adopted to further manage the risk, such as fixed price construction contracts, forward sales and pre-letting. These businesses can also benefit from flexible funding arrangements available from Group companies.
Independent valuations of real estate assets, either in development or developed, also depend on an assessment of the wider real estate market.	Retail and LGRI	Diversification by geographic region and property type avoids concentration of exposures to specific areas of the property market.

Currency risk		
To diversify credit risk within the annuities business corporate bond portfolio, investments are held in corporate bonds denominated in non-sterling currencies. LGC also invest in overseas assets. Fluctuations in the value of, or income from, these assets relative to liabilities denominated in sterling could result in unforeseen foreign exchange losses.	Retail, LGRI and LGC	To mitigate the risk of loss from currency fluctuations, currency swaps and forwards are used to hedge exposures to corporate bonds and equities denominated in currencies other than sterling. Hedging arrangements are placed with strongly rated counterparties with collateral requirements being subject to regular review and reconciliation with the counterparties. The hedges do not eliminate all currency risk and the Group retains some residual risk.
The consolidated international subsidiaries and financial instruments of subsidiaries are translated into sterling in the consolidated accounts. Changes in the sterling value can impact consolidated equity but may be mitigated by associated hedging transactions.	Group	To mitigate the risk of loss from currency translation the company continuously monitors its exposure and executes appropriate hedging transactions when necessary. Hedging arrangements are placed with strongly rated counterparties with collateral requirements being subject to regular review and reconciliation with the counterparties.
Inflation risk		
Inflation risk is the potential of realising a loss because of relative or absolute changes in inflation rates. Annuity contracts may provide for future benefits to be paid taking account of changes in the level of inflation. Annuity contracts in payment may include an annual adjustment for movements in price indices.	Retail and LGRI	The investment strategy for the annuities business takes explicit account of the effect of movements in price indices on contracted liabilities. Significant exposures that may adversely impact profitability are hedged using inflation swaps. Annuity contracts also typically provide for a cap and floor on the annual increase in inflation linked benefit payments. The hedges do not eliminate all inflation risk and the Group retains some residual risk.
Interest rate risk		
Interest rate risk is the risk that the Group is exposed to lower returns or loss as a direct or indirect result of fluctuations in the value of, or income from, specific assets and liabilities arising from changes in underlying interest rates.	Retail, LGRI, LGC and Group	To mitigate the risk that guarantees and commitments are not met, financial instruments are purchased, which broadly match the nature and terms of the expected policy benefits payable. The composition of the investment portfolio is governed by the nature of the insurance or savings liabilities, the expected rate of return applicable on each class of asset and the capital available to meet the price fluctuations of each asset class, relative to the liabilities they support. Assets which are not backing liabilities are hedged in line with the Group's overall tolerance for interest rate risk. The asset-liability matching and hedging do not eliminate all interest rate risk and the Group retains some residual risk.

C.2.2 RISK CONCENTRATION AND MANAGEMENT

Both the Group and LGAS hold a significant portfolio of investment assets to meet our obligations to policyholders. Investment classes include equities, bonds, properties, and cash. Some exposure to concentration risk is an inherent aspect of operating significant portfolios of investment assets.

Concentrations of risk are reported as part of the Group's risk monitoring and reporting framework. The risk management reports presented at divisional and group risk committees provide both qualitative and quantitative information on concentration risks, as well as on material risk drivers and mitigating actions taken where exposures are outside acceptable tolerances.

C.3 CREDIT RISK

C.3.1 RISK EXPOSURE AND CONTROLS

The Group is exposed to credit risk as a consequence of offering the principal products outlined in Section A.1.3. Credit risk is the risk of a financial loss as a result of the default or failure of third parties to meet their payment obligations to the Group, or variations in market values as a result of changes in expectations related to those risks.

Detailed below are the principal credit risks to which the Group and LGAS are exposed:

Principal risks	Product/ Division	Controls to mitigate the risk
Bond default risk		
A significant portfolio of corporate and infrastructure bonds and commercial loans are held to back the liabilities arising from writing insurance and annuities business. Whilst the portfolio is diversified, the asset class is inherently exposed to the risk of issuer default, with the possibility of financial loss. LGC is also exposed to the risk of issuer default through its investment in European private credit manager, Pemberton.	Retail, LGRI and LGC	Portfolio level and specific issuer limits are set by financial strength rating, sector and geographic region to limit exposure to a default event. Exposures are regularly reviewed to take account of changes in market conditions, sector performance and the re-assessment of financial strength by rating agencies and internal analysis. Exposures are monitored relative to limits. If appropriate, actions are taken to trade out investments at risk of default – in some instances financial instruments may also be used to mitigate the impact of rating downgrades and defaults.
Reinsurance counterparty risk		
Exposure to insurance risk is mitigated by ceding part of the risks assumed to the reinsurance market. Default of a reinsurer would require the business to be re-brokered potentially on less advantageous terms, or for the risks to be borne directly resulting in possible financial loss. Group are required to carry an element of associated credit risk capital on its balance sheet should the business not be re-brokered on the same terms.	Retail and LGRI	When selecting new reinsurance partners for its protection business, the Group considers only companies which have a minimum credit rating equivalent to A- from Standard & Poor's. For each reinsurer, exposure limits are determined based on credit ratings and projected exposure over the term of the treaty. Actual exposures are regularly monitored relative to these limits. Similarly, for longevity and credit risk syndication transactions, the Group targets the use of strongly rated counterparties and seeks to ensure that positions are fully collateralised. The adequacy and quality of collateral is subject to ongoing monitoring.
Property lending counterparty risk		
As part of our asset diversification strategy, we hold commercial property loans and sale and leaseback investments. We are inherently exposed to the risk of default by a borrower or tenant.	Retail and LGRI	Each property lending and sale and leaseback investment transaction is subject to a due diligence process to assess the credit risks implicit in the transaction. In the case of commercial property lending we protect our interests by taking security over the underlying property associated with each investment transaction.

Banking counterparty risk		
The Group is exposed to potential financial loss should banks or the issuers of financial instruments default on their obligations to us. We are also exposed to counterparty risks in respect of the providers of settlement and custody services.	Retail, LGRI, LGC and Group	The Group controls its exposures to banking counterparties and the issuers of financial instruments using a framework of counterparty limits. These limits take account of the relative financial strength of the counterparty as well as other bank counterparty exposures that the Group may have. Limits are subject to regular review with actual exposures monitored against limits. The Group has defined criteria for the selection of custody and settlement services. The financial strength of providers is regularly reviewed.

C.3.2 RISK CONCENTRATION AND MANAGEMENT

A significant portfolio of corporate bonds is held to back the liabilities arising from writing annuities. Exposure to concentrations of credit risk within the portfolio can arise from events impacting a specific sector or geography or through concentrations of exposure to an individual counterparty. Accumulations of exposures to credit risk in relation to individual counterparties can also arise through holdings in cash, equities, bonds, and property and through reinsurance and as a result of delegated premium collection arrangements. We have limited appetite for the scale or frequency of events anticipated in investment management strategies materially diverging from expectations as a consequence of significant accumulations of exposure to a single event or counterparty. Where required, we will set limits on the maximum aggregate exposures to investment, banking and reinsurance counterparties, sectors and geographies.

The Group and LGAS manage the credit concentration risk by setting quantitative limits on maximum exposures to counterparties. The Group Financial Risk Committee is responsible for reviewing the aggregate exposures for the Group and the extent to which specific limits are required for concentrations by counterparty, sector and geographic areas. Where exposures are identified as being outside acceptable ranges adjudicated by the GRFRC, it will initiate action with the relevant businesses to manage the exposure.

C.4 LIQUIDITY RISK

C.4.1 RISK EXPOSURE AND CONTROLS

Liquidity and collateral risk is the risk that the Group and LGAS, though solvent, either does not have sufficient financial resources available to enable it to meet its obligations as they fall due, or can secure them only at excessive cost.

The Group and LGAS exposure to liquidity risk primarily arises from contingent events including pandemic mortality, and cash flow timing differences, such as claims due to policyholders and other operational cash flows. The Group and LGAS are also exposed to ‘collateral risk’ under its derivatives contracts which could require the firm to post assets eligible as collateral on short notice.

Detailed below are the principal liquidity risks to which the Group and LGAS are exposed:

Principal risks	Product/ Division	Controls to mitigate the risk
Contingent event risk		
Events that result in liquidity risk include a pandemic that could lead to significantly higher levels of claims than would normally be expected, or extreme events impacting the timing of cash flows or the ability to realise investments at a given value within a specified timeframe.	Retail and Group	The Group seeks to ensure that it meets its obligations as they fall due and avoids incurring material losses on forced asset sales in order to meet those obligations. A limited level of contingent liquidity risk is, however, an accepted element of writing insurance contracts. It is furthermore a consequence of the markets in which Group companies operate and the execution of investment management strategies. However, the Group's insurance businesses seek to maintain sufficient liquid assets and standby facilities to meet a prudent estimate of the cash outflows that may arise from contingent events. The level of required liquidity is identified using techniques including stress tests for shock events and the profile of actual liquid assets is regularly compared to the required liability profile. The Group’s treasury function provides formal facilities to other areas of the Group (including LGAS) to cover contingent liquidity requirements arising from more extreme events and where investment assets may not be readily realisable.
Collateral liquidity risk		
Within the annuity businesses, the use of financial instruments to hedge default, interest rate, currency and inflation risks can require the posting of collateral with counterparties at short notice.	Retail and LGRI	Liquidity requirements to meet potential collateral calls under stressed conditions are actively managed and an appropriate pool of eligible assets is maintained with counterparties as specified in the associated agreements. As at 31 December 2022, LGRI and Retail held eligible collateral worth more than five times the total amount of outstanding collateral (using the most representative definition of collateral contained within the Group's different collateral agreements).
Investment liquidity risk		
Direct lending, sale and leaseback investments and lifetime mortgage business are inherently illiquid forms of investment, with limited secondary markets to realise the value of assets outside agreed redemption terms. Alternative equity investments are also inherently illiquid forms of investment, with limited secondary markets to realise the value of assets.	Retail, LGRI and LGC	Given the illiquid nature of the annuity and other liabilities the Group is able and willing to take advantage of the premium offered by illiquid assets. Limits are set for the overall exposure to illiquid investments taking account of the nature and type of liabilities that the assets are held to meet.

C.4.2 LIQUIDITY RISK MANAGEMENT

The Group and LGAS do not seek exposure to liquidity risk as a part of their business model but accept that exposure to liquidity risk can arise as a consequence of the markets in which they operate, the products that they write and through the execution of investment management strategies.

The Group seeks to manage its funds and liquidity requirements on a pooled basis and to ensure that the Group maintains sufficient liquid assets and standby facilities to meet a prudent estimate of its net cash outflows. In addition, it ensures that, even under plausible but unlikely severe conditions, the Group has access to the funds necessary to cover all outgoings such as surrenders, withdrawals and maturing liabilities.

It is the Group's policy that business divisions remain self-sufficient from a liquidity perspective by maintaining sufficient liquid assets and assessing the appropriateness of the composition of the assets in terms of their nature, duration and liquidity to meet obligations as they fall due. The business divisions also need to maintain sufficient eligible assets to meet collateral requirements that arise from their normal business activities and under the two defined liquidity stress scenarios. To the extent that a business division has insufficient liquid assets to meet its obligations, it is required to have a committed credit facility (standby facility) with the Group Treasury function to cover the risk exposure.

As at 31 December 2022, the Group had £4,834m (2021: £3,596m) of cash and cash equivalents in shareholder funds and a £1.5bn syndicated committed revolving credit facility in place, provided by a number of its key relationship banks, maturing in August 2027.

C.4.3 LIQUIDITY STRESS TESTING

The exposure to liquidity risk is measured by a liquidity coverage ratio (LCR) under the two prescribed liquidity stress scenarios. The main purpose of the liquidity stress testing is to ensure that the Group maintains adequate liquidity for stress events and compliance is noted in the approved risk appetite, which is defined in the Group Liquidity Risk Policy. As a group standard, liquidity stress testing is performed monthly or more frequently if needed. A risk appetite is then set by the Group Risk Policy to ensure that the Group can meet these requirements which is done by calculating the LCR. The LCR is defined as total sources of liquidity divided by total liquidity requirements and is calculated separately for each business division, entity and Group Treasury. The LCRs are stressed over a 3 months and 12 months scenario by assuming that all committed cashflows that are due in the next 3 months and 12 months are paid immediately rather than as they fall due, this includes dividend payments and expenses. The LCRs as at 31st December were above the risk appetite set by the policy of 110%.

The Group Treasury function works with the business divisions to ensure that, at a local and entity level. An overarching Group Liquidity Management Framework was approved. This Framework sets out how liquidity is to be managed across group and the Business units. It sets out permitted resources, assumptions in calculating LCRs and standard management reporting. The frameworks and assumptions are reviewed and reaffirmed annually.

C.4.4 EXPECTED PROFIT IN FUTURE PREMIUMS

The contribution of EPIFP to Own Funds is relevant from a liquidity perspective as the extent of future premiums assumed in the liability valuation may not emerge in practice, thus potentially lowering the available Own Funds to cover the SCR.

The total amount of the expected profit included in future premiums (EPIFP) as calculated in accordance with Article 260(2) of the Solvency II Delegated Regulation for the Group was £2,336m (2021: £2,502m) and for LGAS was £1,824m (2021: £1,932m) as at 31 December 2022.

C.5 OPERATIONAL RISK

C.5.1 RISK EXPOSURE AND MANAGEMENT

Operational risk is defined as loss arising from inadequate or failed internal processes, people, systems or external events. Potential for exposure to operational risk extends to all of the Group's businesses. The Group has constructed a framework of internal controls to minimise material loss from operational risk events recognising that no system of internal control can completely eliminate the risk of error, financial loss, fraudulent action, or reputational damage.

Mitigation techniques are deployed via the Group's internal control framework, which comprises the systems, processes and procedures that ensure business operations are conducted so as to meet our obligations to all stakeholders, comply with regulation and legislation, and minimise the risk of material error or fraud. We aim to implement effective controls (both preventative and detective) to reduce operational risk exposures, except where the costs of such controls exceed the expected benefits. We accept that no system of control will fully eliminate the risk of financial loss or reputational damage, and we expect all employees to report weaknesses and deficiencies as soon as they are identified.

Dependency on a single supplier (both internal and external to the Group and LGAS) to provide a product or service supporting a critical business function can give rise to concentrations of operational risk. Techniques deployed to mitigate this include business continuity and recovery plans in the event of a supplier failure, a defined mechanism to resolve disputes relating to a contract, and orderly exit and termination plans. Further details are provided in Section B.7: Outsourcing.

The loss distributions for operational risk are built through scenario analysis, where we seek to estimate what a 1:20 through to a 1:200 year event would look like in financial terms for risks such as product design error, fraud and cyber incident. The scenarios take account of our controls, historic experience and events seen by peers.

C.6 OTHER MATERIAL RISKS

Covid-19
The developments in recent years with respect to the Covid-19 pandemic exposed the business to additional risk in a number of areas, namely operational risk, insurance risk and market/credit risk (including asset valuation uncertainty).

We seek to have comprehensive understanding of longevity, mortality and morbidity risks, and we continue to evaluate wider trends in life expectancy as a result of Covid-19 and the associated impacts of the pandemic on healthcare systems. However, we cannot remove the risk that adjustment to reserves may be required, although the selective use of reinsurance acts to reduce the impacts to us of significant variations in life expectancy and mortality. Whilst the global vaccine rollout has had a significant effect in reducing mortality rates from Covid-19, there remains a degree of risk to the emergence of new variants of the disease. We also continue to see a slowing in the rate of mortality improvement in both the UK and the US, reflecting the direct impacts of Covid-19 related illness as well as potentially the deferral of diagnostics and medical treatments for other conditions, and there remains uncertainty to the impacts of "long covid".

Market volatility
As described above Group companies are exposed to market and credit risk and have strong mitigants in place to manage these risks. In 2022, markets have continued to be more volatile than in the pre-Covid period, although this has been for different reasons than in 2021. In particular the efforts of central banks to tackle inflation, and the gilt market events of September and October in response to the mini-budget, drove large movements in interest rates and inflation expectations; equity, property and credit assets were also impacted. The sensitivities in Section C7.1 provide an indication of the impact of market movements on the Solvency II coverage ratios of the Group and LGAS. It is noted that these simple sensitivities cannot perfectly capture the actual market movements, which for example may vary by sector or, in the case of the credit spread sensitivity, the impact can vary significantly if the spread widening varies by rating; as can be seen in Section C7.1, an escalating addition across ratings has a less positive impact on the coverage ratios. The Group's liquidity management processes operated as designed throughout the market volatility.

Climate change
As a significant investor in financial markets, commercial real estate and housing, we are exposed to climate related transition risks, and the impact this has on asset valuation and the economy. Our interests in property assets may also expose us to physical climate change related risks, including flood risks. We are also exposed to reputation and climate related litigation risks should our responses to the threats from climate change be judged not to align with the expectations of environment, social and governance (ESG) groups. We measure the carbon intensity targets of our investment portfolios, and along with specific investment exclusions for carbon intensive sectors, we have set overall reduction targets aligned with the 1.5°C 'Paris' objective, including setting near term science-based targets to support our long-term emission reduction goals. Alongside managing exposures, we monitor the political and regulatory landscape, and as part of our climate strategy we engage with regulators and investee companies in support of climate action. Climate risk considerations are also embedded in the risk management of each of our underlying risks (e.g. market and insurance risk), and throughout the risk management processes (e.g. ORSA and Internal Model validation).

The Board regularly considers the potential financial and reputational impact of the Group's principal risks on our ability to deliver the business plan, and we regularly refresh our principal risks to reflect current market and economic conditions as well as changes in our risk profile.

C.7 ANY OTHER INFORMATION

There were no significant events other than those covered above.

C.7.1 SENSITIVITIES

As part of the ORSA process a range of stress tests are carried out. The following sensitivities are provided to give an indication of how the Group and LGAS Solvency II surplus as at 31 December 2022 would have changed in a variety of events. These are all independent stresses to a single risk. In practice, the balance sheet is impacted by combinations of stresses and the combined impact can be different from adding together the impacts of the same stresses in isolation. It is expected that, particularly for market risks, adverse stresses will happen together.

The tables below show the results of sensitivity testing for both the Group and LGAS:

Group sensitivities

Risk	Description	Impact on net of tax capital surplus as at 31 Dec 2022 (£bn)	Impact on Solvency II coverage ratio as at 31 Dec 2022 (%)
CREDIT	Credit spreads widen by 100bps assuming a level addition to all ratings[1]	0.3	14
	Credit spreads widen by 100bps assuming an escalating addition to all ratings[1,2]	0.3	13
	Credit spreads narrow by 100bps assuming a level deduction to all ratings[1]	(0.5)	(17)
	Credit spreads narrow by 100bps assuming an escalating deduction to all ratings[1,2]	(0.4)	(16)
	Credit spreads of sub investment grade assets widen by 100bps assuming a level addition to ratings[1,3]	(0.3)	(7)
	Credit migration[4]	(0.8)	(10)
MARKET	15% fall in property markets[5]	(0.9)	(11)
	15% rise in property markets[5]	0.9	10
	25% fall in property markets[5]	(1.6)	(19)
	25% fall in equity markets[6]	(0.4)	(3)
	25% rise in equity markets[6]	0.4	2
	100bps decrease in risk free rates[7,8]	(0.6)	(19)
	100bps increase in risk free rates[7]	0.5	18
	50bps decrease in risk free rates[7,8]	(0.3)	(9)
	50bps increase in gilt spreads over PRA risk free rates	(0.0)	0
	50bps increase in future inflation expectation[7]	(0.1)	(3)
	GBP exchange rates fall by 25%	0.9	10
UNDER-WRITING	Substantially reduced risk margin[9]	0.5	7
	1% increase in annuitant base mortality[10]	0.1	2
	1% decrease in annuitant base mortality[10]	(0.1)	(2)
	10% increase in maintenance expenses[11]	(0.3)	(4)

LGAS sensitivities

Risk	Description	Impact on net of tax capital surplus as at 31 Dec 2022 (£bn)	Impact on Solvency II coverage ratio as at 31 Dec 2022 (%)
CREDIT	Credit spreads widen by 100bps assuming a level addition to all ratings[1]	0.3	14
	Credit spreads widen by 100bps assuming an escalating addition to all ratings[1,2]	0.2	13
	Credit spreads narrow by 100bps assuming a level deduction to all ratings[1]	(0.4)	(16)
	Credit spreads narrow by 100bps assuming an escalating deduction to all ratings[1,2]	(0.4)	(16)
	Credit spreads of sub investment grade assets widen by 100bps assuming a level addition to ratings[1,3]	(0.2)	(7)
	Credit migration[4]	(0.6)	(11)
MARKET	15% fall in property markets[5]	(0.4)	(7)
	15% rise in property markets[5]	0.4	7
	25% fall in property markets[5]	(0.7)	(13)
	25% fall in equity markets[6]	(0.2)	(3)
	25% rise in equity markets[6]	0.2	3
	100bps decrease in risk free rates[7,8]	(0.3)	(15)
	100bps increase in risk free rates[7]	0.2	14
	50bps decrease in risk free rates[7,8]	(0.1)	(7)
	50bps increase in gilt spreads over PRA risk free rates	(0.0)	(0)
	50bps increase in future inflation expectation[7]	(0.1)	(3)
	GBP exchange rates fall by 25%	0.1	1
UNDER-WRITING	Substantially reduced risk margin[9]	0.3	6
	1% increase in annuitant base mortality[10]	0.1	2
	1% decrease in annuitant base mortality[10]	(0.1)	(2)
	10% increase in maintenance expenses[11]	(0.2)	(4)

1.The spread sensitivity applies to the Group and LGAS's corporate bond (and similar) holdings, with no change in long-term default expectations. Restructured lifetime mortgages are excluded as the underlying exposure is mostly to property.
2. The stress for AA bonds is twice that for AAA bonds, for A bonds it is three times, for BBB four times and so on, such that the weighted average spread stress for the portfolio is 100 basis points. To give a 100bps increase on the total portfolio, the spread stress increases in steps of 32bps, i.e. 32bps for AAA, 64bps for AA etc.
3. No stress for bonds rated BBB and above. For bonds rated BB and below the stress is 100bps. The spread widening on the total portfolio is smaller than 2bps as the Group holds less than 2% in bonds rated BB and below. The impact is primarily an increase in SCR arising from the modelled cost of trading downgraded bonds back to a higher rating in the stress scenarios in the SCR calculation.
4. Credit migration stress covers the cost of an immediate big letter downgrade on 20% of all assets where the capital treatment depends on a credit rating (including corporate bonds, and sale and leaseback rental strips; lifetime mortgage senior notes are excluded). Downgraded assets in our annuities portfolio are assumed to be traded to their original credit rating, so the impact is primarily a reduction in Own Funds from the loss of value on downgrade. The impact of the sensitivity will depend upon the market levels of spreads at the balance sheet date.
5. Assets stressed include residual values from sale and leaseback, the full amount of lifetime mortgages and direct investments treated as property.
6. This relates primarily to equity exposure in LGC but will also include equity-based mutual funds and other investments that receive an equity stress (for example, certain investments in subsidiaries). Some assets have factors that increase or decrease the stress relative to general equity levels via a beta factor.
7. Assuming a recalculation of the Transitional Measure on Technical Provisions that partially offsets the impact on Risk Margin.
8. In the interest rate down stress negative rates are allowed, i.e. there is no floor at zero rates.
9. Assuming a 2/3 reduction in the Risk Margin, allowing for offset from an equivalent reduction in the Transitional Measure on Technical Provisions.
10. The stress assumes that the full impact of the change in base mortality is immediately recognised.
11. A 10% increase in the assumed unit costs and future costs of investment management across all long term insurance business lines.

In the above sensitivity analysis, examples of the management actions assumed to reduce the SCR impacts, which are in-line with the Group's and LGAS's practice of managing the asset portfolio, are:

- The credit migration stress assumes a rebalancing of the annuity portfolio back to the original average credit rating;
- The fall in property stress assumes a rebalancing of the structured bonds from the Lifetime Mortgages SPV to the original credit rating; and
- A dynamic rebalancing of currency hedges in the annuity business.

The sensitivity analysis does not reflect all management actions which could be taken to reduce the impacts. In practice, the Group actively manages its asset and liability positions to respond to market movements. Where material, a recalculation of the TMTP is assumed to partially offset the impact on the Risk Margin.

The impacts of these stresses are not linear; therefore, these results should not be used to extrapolate the impact of a smaller or larger stress. The results of these tests are indicative of the market conditions prevailing at the balance sheet date. The results could be different if performed at an alternative reporting date.

In addition to the sensitivities in the table above, the Group also considers other highly unlikely events in managing the business.

C.7.2 MATERIAL CHANGES TO THE RISK PROFILE OVER THE REPORTING PERIOD

As part of the ORSA, the Group and LGAS have reviewed all material risks and continue to recognise longevity improvements, credit and market risks as our key risk exposures. It is expected that these will continue to be the primary risk exposures for the Group and LGAS.

D. Valuation for Solvency II Purposes[3]

Unless otherwise stated, assets and liabilities have been recognised in accordance with International Financial Reporting Standards (IFRS), as adopted by the UK.

The table below illustrates the difference between IFRS equity and Solvency II excess of assets over liabilities for the Group:

(£m)	2022	2021
IFRS equity	12,139	10,943
Solvency II excess of assets over liabilities	13,891	13,725
Difference	**1,752**	2,782

The difference in each of the component parts of the Group's Solvency II excess of assets over liabilities to the valuation under IFRS is shown below:

As at 31 December 2022 (£m)	Notes	Differences in the consolidation approach	Conversion to aggregation under the D&A method	Solvency II valuation differences	Total
		Note 1	Note 2	Note 3	
Assets	D.1	(84,944)	(10,740)	(3,083)	(98,767)
Technical provisions	D.2	-	7,843	5,743	13,586
Other liabilities	D.3	84,939	2,756	(762)	86,933
Net increase/(decrease)		**(5)**	**(141)**	**1,898**	**1,752**

As at 31 December 2021 (£m)	Notes	Differences in the consolidation approach	Conversion to aggregation under the D&A method	Solvency II valuation differences	Total
		Note 1	Note 2	Note 3	
Assets	D.1	(82,141)	(7,853)	(4,641)	(94,635)
Technical provisions	D.2	-	7,032	8,945	15,977
Other liabilities	D.3	82,118	1,018	(1,696)	81,440
Net increase/(decrease)		(23)	197	2,608	2,782

Individual assets and liabilities have been valued separately and can offset each other, where permitted, in accordance with IFRS accounting principles. These include deferred tax asset and liabilities where there is a right of offset, and linked derivative liabilities with index-linked and unit-linked assets.

Assets and liabilities (other than deferred tax) have been valued:

3. The calculation of the Risk Margin, Solvency Capital Requirement and Transitional Measures on Technical Provisions, referenced within this section, are not subject to audit.

- On a going concern basis;
- In accordance with Article 75 of the Solvency II Directive and where specifically provided for by Delegated Acts:
- Where IFRS valuation is consistent with Article 75 this has been adopted, therefore Solvency II economic value is equal to IFRS fair value unless otherwise stated; and
- Where more than one valuation method is permitted by IFRS, only valuation methods that are consistent with Article 75 are applied.

Where the valuation of assets and liabilities is the same under IFRS, a description of the bases, methods and main assumptions can be found in the accounting policies and notes of the Group's Annual Report and Accounts.

Where there are material differences in valuation, these are described in the relevant sections below.

NOTE 1 - CONSOLIDATION APPROACH

The consolidated balance sheet incorporates the assets, liabilities and equity of the parent company and all the insurance or reinsurance undertakings, third-country insurance or reinsurance undertakings, insurance holding companies, mixed financial holding companies, ancillary services undertakings and special purpose vehicles to which risk has been transferred, drawn up to 31 December each year. All of the consolidated entities' intra-group balances and transactions are eliminated in full.

Subsidiaries are those entities (including special purpose entities) over which the Group directly or indirectly has control in accordance with the Group's policy for IFRS 10 (when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee).

Subsidiary undertakings which are credit institutions, investment firms and financial institutions, alternative investment fund managers, UCITS management companies, institutions for occupational retirement provision or non-regulated undertakings carrying out financial activities are reflected as the proportional share of the undertakings' own funds according to the relevant sectoral rules (incorporating any relevant regulatory waivers). These undertakings are included in the Holdings In Related Undertakings line in the Solvency II balance sheet. This differs from the IFRS treatment whereby most subsidiaries are fully consolidated in the Group balance sheet.

Other subsidiaries are incorporated into the Solvency II balance sheet using the adjusted equity method. The adjusted equity method requires the participation to be presented as a single line item in the balance sheet, valued at the share of the excess assets over liabilities, calculated on a Solvency II basis. These undertakings are included in the Holdings In Related Undertakings Line in the Solvency II balance sheet. This differs from the IFRS treatment whereby most subsidiaries are fully consolidated in the Group balance sheet.

Other entities that are under joint arrangements and recognised as financial investments at fair value under IAS 28 on the IFRS balance sheet are treated and valued the same under Solvency II.

The presentational differences between the Solvency II and IFRS balance sheets created by the application of subsidiary rules under Solvency II, along with any valuation difference created by applying sectoral rules, results in a decrease in net assets of £5m (2021: £23m) in the Solvency II balance sheet.

NOTE 2 - DEDUCTION AND AGGREGATION

The Group was granted approval to use Method 2 Deduction and Aggregation (D&A) with local statutory equivalence for certain firms. As at 31 December 2022 this approach applies to the following companies:

- Banner Life Insurance Company (Banner Life);
- William Penn Life Insurance of New York (William Penn);
- First British Vermont Reinsurance Company II;
- First British Vermont Reinsurance Company III;
- First British Bermuda Reinsurance Company III Limited;
- Legal & General Reinsurance Company No.2 Limited; and
- Legal & General America Reinsurance Limited (new subsidiary incorporated in 2022).

These companies, which are fully consolidated in the IFRS group balance sheet, have been deconsolidated under Solvency II, and included as participations with a local regulatory value.

The impact of reclassifying the D&A firms as participations, along with the adjustment in net value, was a decrease in net assets of £141m (2021: increase of £197m) under Solvency II.

The full list of related undertakings, along with its method of consolidation can be found in form S.32.01, shown in Annex 1 of this report.

NOTE 3 - SOLVENCY II VALUATION DIFFERENCES

Valuation differences between Solvency II and IFRS resulted in an increase in the excess of assets over liabilities of £1,898m (2021: £2,608m) on the Solvency II balance sheet. Details of the valuation differences are described in the following sections.

D.1 ASSETS

The Group's assets as at 31 December 2022 under Solvency II are £414,509m (2021: £488,003m) compared to the total value of assets under IFRS of £513,276m (2021: £582,638m).

As at 31 December (£m)	Note	**2022**	2021
IFRS Valuation of Assets		**513,276**	582,638
Solvency II Valuation of Assets		**414,509**	488,003
Difference		**(98,767)**	(94,635)
Explained by:			
Differences in the consolidation approach		**(84,944)**	(82,141)
Conversion to aggregation under the D&A method		**(10,740)**	(7,853)
Solvency II valuation differences	D.1.1	**(3,083)**	(4,641)
Total		**(98,767)**	(94,635)

D.1.1 SOLVENCY II VALUATION DIFFERENCES

The Group's assets and the impact of valuation differences under IFRS are shown below:

Assets as at 31 December 2022 (£m)	Notes	**Solvency II**	**IFRS**	**Variance**	**Differences due to IFRS valuation differences**
Deferred acquisition costs and Goodwill	D.1.1.1	**-**	**101**	**(101)**	**(101)**
Intangible assets	D.1.1.1	**-**	**441**	**(441)**	**(386)**
Deferred tax assets		**-**	**180**	**(180)**	**-**
Property, plant and equipment held for own use	D.1.1.7	**102**	**326**	**(224)**	**-**
Investments (other than assets held for index-linked and unit-linked contracts)		**115,010**	**483,163**	**(368,153)**	**(26)**
Property (other than for own use)		***259***	***9,372***	***(9,113)***	**-**
Holdings in related undertakings, including participations	D.1.1.4	***16,419***	***554***	***15,865***	***(26)***
Equities		***431***	***151,305***	***(150,874)***	**-**
Bonds		***54,477***	***254,153***	***(199,676)***	**-**
Collective investments undertakings		***1,629***	***16,524***	***(14,895)***	**-**
Derivatives		***41,690***	***45,427***	***(3,737)***	**-**
Deposits other than cash equivalents		***105***	***5,828***	***(5,723)***	**-**
Assets held for index-linked and unit-linked contracts		**283,576**	**-**	**283,576**	**-**
Loans and mortgages	D.1.1.2	**6,246**	**5,979**	**267**	**292**
Reinsurance recoverables	D.1.1.3	**1,324**	**6,955**	**(5,631)**	**(3,264)**
Deposits to cedants		**588**	**8**	**580**	**-**
Insurance and intermediaries receivables		**44**	**76**	**(32)**	**-**
Reinsurance receivables	D.1.1.5	**693**	**291**	**402**	**402**
Receivables (trade, not insurance)	D.1.1.7	**6,663**	**11,739**	**(5,076)**	**-**
Cash and cash equivalents		**263**	**2,043**	**(1,780)**	**-**
Any other assets, not shown elsewhere		**-**	**1,974**	**(1,974)**	**-**
Total Assets		**414,509**	**513,276**	**(98,767)**	**(3,083)**

Assets as at 31 December 2021 (£m)	Notes	Solvency II	IFRS	Variance	Differences due to IFRS valuation differences
Deferred acquisition costs and Goodwill	D.1.1.1	-	94	(94)	(94)
Intangible assets	D.1.1.1	-	365	(365)	(327)
Deferred tax assets		-	2	(2)	-
Property, plant and equipment held for own use	D.1.1.7	107	320	(213)	-
Investments (other than assets held for index-linked and unit-linked contracts)		177,558	107,137	70,421	(38)
Property (other than for own use)		*29*	*5,706*	*(5,677)*	-
Holdings in related undertakings, including participations	D.1.1.4	*94,908*	*375*	*94,533*	*(38)*
Equities		*283*	*1,074*	*(791)*	-
Bonds		*67,057*	*83,406*	*(16,349)*	-
Collective investments undertakings		*2,141*	*2,112*	*29*	-
Derivatives		*13,112*	*13,203*	*(91)*	-
Deposits other than cash equivalents		*28*	*1,261*	*(1,233)*	-
Assets held for index-linked and unit-linked contracts		294,388	450,182	(155,794)	-
Loans and mortgages	D.1.1.2	8,406	6,947	1,459	313
Reinsurance recoverables	D.1.1.3	552	7,180	(6,628)	(4,906)
Deposits to cedants		714	-	714	-
Insurance and intermediaries receivables		54	69	(15)	-
Reinsurance receivables	D.1.1.5	454	84	370	411
Receivables (trade, not insurance)	D.1.1.7	5,473	7,099	(1,626)	-
Cash and cash equivalents		297	1,115	(818)	-
Any other assets, not shown elsewhere		-	2,044	(2,044)	-
Total Assets		488,003	582,638	(94,635)	(4,641)

LGAS assets as at 31 December 2022 and the impact of valuation differences under IFRS are as below:

Assets as at 31 December 2022 (£m)	Notes	**Solvency II**	**IFRS**	**Differences due to IFRS valuation differences**
Deferred acquisition costs	D.1.1.1	**-**	**23**	**(23)**
Intangible assets	D.1.1.1	**-**	**242**	**(242)**
Deferred tax assets		**-**	**26**	**(26)**
Property, plant and equipment held for own use	D.1.1.7	**28**	**28**	**-**
Investments (other than assets held for index-linked and unit-linked contracts)		**113,144**	**113,160**	**(16)**
Property (other than for own use)		***259***	***259***	**-**
Holdings in related undertakings, including participations	D.1.1.4	***553***	***569***	***(16)***
Equities		***404***	***404***	**-**
Bonds		***64,189***	***64,189***	**-**
Collective investments undertakings		***6,443***	***6,443***	**-**
Derivatives		***41,295***	***41,295***	**-**
Deposits other than cash equivalents		***1***	***1***	**-**
Assets held for index-linked and unit-linked contracts		**14**	**14**	**-**
Loans and mortgages	D.1.1.2	**6,246**	**6,246**	**-**
Reinsurance recoverables	D.1.1.3	**84,301**	**85,685**	**(1,384)**
Deposits to cedants		**588**	**588**	**-**
Insurance and intermediaries receivables		**36**	**36**	**-**
Reinsurance receivables	D.1.1.5	**693**	**693**	**-**
Receivables (trade, not insurance)	D.1.1.7	**4,908**	**4,908**	**-**
Cash and cash equivalents		**192**	**192**	**-**
Total Assets		**210,150**	**211,841**	**(1,691)**

Assets as at 31 December 2021 (£m)	Notes	Solvency II	IFRS	Differences due to IFRS valuation differences
Deferred acquisition costs	D.1.1.1	-	21	(21)
Intangible assets	D.1.1.1	-	181	(181)
Deferred tax assets		-	-	-
Property, plant and equipment held for own use	D.1.1.7	34	34	-
Investments (other than assets held for index-linked and unit-linked contracts)		101,673	101,673	-
Property (other than for own use)		*29*	*29*	-
Holdings in related undertakings, including participations	D.1.1.4	*241*	*241*	-
Equities		*258*	*258*	-
Bonds		*79,152*	*79,152*	-
Collective investments undertakings		*8,986*	*8,986*	-
Derivatives		*13,006*	*13,006*	-
Deposits other than cash equivalents		*1*	*1*	-
Assets held for index-linked and unit-linked contracts		-	-	-
Loans and mortgages	D.1.1.2	8,406	8,406	-
Reinsurance recoverables	D.1.1.3	87,650	90,707	(3,057)
Deposits to cedants		714	714	-
Insurance and intermediaries receivables		43	43	-
Reinsurance receivables	D.1.1.5	454	454	-
Receivables (trade, not insurance)	D.1.1.7	3,941	3,941	-
Cash and cash equivalents		232	232	-
Total Assets		203,147	206,406	(3,259)

D.1.1.1 DEFERRED ACQUISITION COSTS (DAC) AND INTANGIBLES

Goodwill and intangible assets have no active market and therefore are not recognised in the Solvency II balance sheet. For the Group this results in a £101m (2021: £94m) valuation difference arising on DAC and Goodwill. For LGAS this results in a £23m (2021: £21m) valuation difference arising on DAC.

For intangible assets the difference for the Group was £441m (2021: £365m), of which £55m (2021: £38m) arises from the Deduction and Aggregation treatment, with the balance of £386m (2021: £327m) reflected as a valuation difference. For LGAS the difference was £242m (2021: £181m).

D.1.1.2 LOANS AND MORTGAGES

The Group and LGAS have recognised Lifetime Mortgage business within this asset class. Lifetime Mortgage business is written in Legal & General Home Finance Limited before beneficial ownership is transferred to LGAS. The transfer value of the assets includes a margin which brings the value closer in line with similar assets available in the market. In the Group IFRS balance sheet the increase in value on the transfer of the Lifetime Mortgage business is reversed as it represents a profit on intercompany transfers. On the Solvency II balance sheet the value including the margin is used as a proxy of fair value for the Lifetime Mortgage business. This gives rise to a valuation difference of £292m (2021: £313m) on loans and mortgages.

D.1.1.3 REINSURANCE RECOVERABLES

The reinsurance recoverables and gross liabilities are calculated consistently with the best estimate liability in all cases, save that there is an allowance for the probability weighted best estimate of external reinsurer default (further details can be found in D.2).

The value of the reinsurance recoverables for the Group has reduced by £5,631m (2021: £6,628m) under Solvency II. Of this, £2,367 (2021: £1,722m) is due to the removal of the IFRS reinsurance recoverables in relation to entities aggregated under the Deduction and Aggregation method. The remaining difference of £3,264m (2021: £4,906m) is primarily driven by the different valuation methodology in calculating Technical Provisions. The value of the reinsurance recoverables for LGAS has reduced by £1,384m (2021: £3,057m) in calculating Technical Provisions.

D.1.1.4 HOLDINGS IN RELATED UNDERTAKINGS, INCLUDING PARTICIPATIONS

The Group differences arise from investments in associates which include intangible and goodwill assets. These are eliminated under Solvency II, reducing the holdings in related undertakings, including participations, by £26m (2021: £38m).

LGAS has participations that are not quoted in active markets. Under Solvency II, these are valued using an adjusted equity method where the value of the investment is determined as LGAS share of the subsidiary's net assets valued in accordance with the Solvency II valuation rules. The holdings in related undertakings for LGAS has been reduced by £16m (2021: £nil).

D.1.1.5 REINSURANCE RECEIVABLES

Reinsurance receivables have been valued in accordance with their treatment under IFRS. The reinsurer's share of unpaid claims on investment contracts is included in the IFRS technical provisions (non-participating investment contracts). Under Solvency II they are shown as reinsurance receivables. The result is a presentational difference of £402m (2021: £411m) but is shown above as a valuation difference, offset within Technical Provisions.

D.1.1.6 CHANGES IN ASSUMPTIONS AND VALUATION BASES

There have been no significant changes in assumptions, valuation bases or estimations for assets in the reporting period.

D.1.1.7 LEASES

There are directly held investment properties which appear on the Group Solvency II balance sheet where Group companies act as a lessor. The investment properties are carried at fair value and the Group's policy is to let investment properties to tenants through operating leases. The leases have varying terms, escalation clauses and renewal rights.

A number of properties are accounted for as finance leases. These leases which have a weighted average duration to maturity of 31 years as at 31 December 2022 are included in the Solvency II balance sheet under Receivables (trade, not insurance) at a value equal to the present value of future lease payments of £192m (2021: £169m) for the Group and £110m (2021: £85m) for LGAS.

Additionally, the Group leases offices, vehicles, IT equipment and investment properties under non-cancellable operating lease agreements.

Lease arrangements where the Group acts as the lessee are disclosed in section A.4.

Additionally, the company leases office buildings, vehicles, IT equipment and investment properties under non-cancellable operating lease agreements. Under IFRS 16, lease standard, such leases are recognised in both the IFRS and Solvency II balance sheets under Property, plant & equipment held for own use with a corresponding lease liability under Payables (trade, not insurance). There are no valuation differences recognised between IFRS and Solvency II in respect of these assets and liabilities. Lease arrangements where LGAS acts as the lessee are disclosed in section A.4.

Other receivables include prepayments and accrued income which are held at cost less impairment under both Solvency II and IFRS.

D.1.2 VALUATION UNCERTAINTY

Both the Group and LGAS values their assets in accordance with Article 10 of the Solvency II Delegated Regulation. Valuations of assets are underpinned by a system of processes and controls to ensure that the Group and LGAS complies with Article 267 of the Solvency II Delegated Regulation. Included within these processes is an assessment of valuation uncertainty and the extent to which asset valuations are appropriate in light of uncertainties that exist. This process focuses on, although is not limited to, assets that are valued using alternative valuation techniques. The Group and LGAS have concluded that its assets are valued appropriately in accordance with Article 10 of the Solvency II Delegated Regulation and appropriately reflect consideration of valuation uncertainty.

The uncertainty contained within the reinsurance recoverables will be similar to the uncertainty in technical provisions, covered in section D.2.4.

Climate risk

Both the Group and LGAS asset portfolios can be exposed to climate change through both:

- Transition risks from the move to a low-carbon economy and the impact this has on asset valuation and the economy; and
- Physical risks from the impact on asset holdings as a result of severe weather events and longer-term shifts in climate.

Exposure to the physical risks of climate change is minimised in the direct investment portfolio through rigorous assessment of potential investments, particularly in ensuring there is low susceptibility to extreme weather events.

Both Group and LGAS assets are valued, where possible, using standard market pricing sources or appropriately qualified external valuers and therefore reflect current market sentiments around climate risk.

D.2 TECHNICAL PROVISIONS (TPs)[4]

The Group's technical provisions are split below by Solvency II line of business. The table includes a comparison of Solvency II BEL to IFRS liabilities.

Technical provisions as at 31 December 2022 (£m)	**Non-life (excluding health)**	**Health (similar to life)**	**Life (excluding health, index-linked and unit-linked)**	**Index-linked and unit-linked insurance**	**Total**
Best Estimate Liabilities	**9**	**217**	**58,602**	**284,136**	**342,964**
Risk Margin	**-**	**7**	**2,623**	**123**	**2,753**
Transitional Measure on Technical Provisions	**-**	**-**	**(2,136)**	**-**	**(2,136)**
Technical provisions total	**9**	**224**	**59,089**	**284,259**	**343,581**
IFRS	**62**	**530**	**69,782**	**286,793**	**357,167**
IFRS to SII BEL variance	**(53)**	**(313)**	**(11,180)**	**(2,657)**	**(14,203)**
IFRS to SII TP variance	**(53)**	**(306)**	**(10,693)**	**(2,534)**	**(13,586)**

Technical provisions as at 31 December 2021 (£m)	Non-life (excluding health)	Health (similar to life)	Life (excluding health, index-linked and unit-linked)	Index-linked and unit-linked insurance	Total
Best Estimate Liabilities	26	421	75,961	369,642	446,050
Risk Margin	1	5	5,379	103	5,488
Transitional Measure on Technical Provisions	-	-	(4,736)	-	(4,736)
Technical provisions total	27	426	76,604	369,745	446,802
IFRS	70	811	88,944	372,954	462,779
IFRS to SII BEL variance	(44)	(390)	(12,983)	(3,312)	(16,729)
IFRS to SII TP variance	(43)	(385)	(12,340)	(3,209)	(15,977)

4. Risk Margin and Transitional Measures on Technical Provisions are not subject to audit.

A summary of LGAS technical provisions by Solvency II line of business is set out below. The table includes a comparison of Solvency II BEL to IFRS liabilities.

Technical provisions as at 31 December 2022 (£m)	**Non-life (excluding health)**	**Health (similar to life)**	**Life (excluding health, index-linked and unit-linked)**	**Index-linked and unit-linked insurance**	**Total**
Best Estimate Liabilities	**9**	**217**	**62,138**	**65,826**	**128,190**
Risk Margin	**-**	**7**	**1,831**	**62**	**1,900**
Transitional Measure on Technical Provisions	**-**	**-**	**(1,640)**	**-**	**(1,640)**
Technical provisions total	**9**	**224**	**62,329**	**65,888**	**128,450**
IFRS	**62**	**530**	**65,028**	**66,358**	**131,978**
IFRS to SII BEL variance	**(53)**	**(313)**	**(2,890)**	**(532)**	**(3,788)**
IFRS to SII TP variance	**(53)**	**(306)**	**(2,699)**	**(470)**	**(3,528)**

Technical provisions as at 31 December 2021 (£m)	Non-life (excluding health)	Health (similar to life)	Life (excluding health, index-linked and unit-linked)	Index-linked and unit-linked insurance	Total
Best Estimate Liabilities	26	421	80,435	64,922	145,804
Risk Margin	1	5	3,977	36	4,019
Transitional Measure on Technical Provisions	-	-	(3,593)	-	(3,593)
Technical provisions total	27	426	80,819	64,958	146,230
IFRS	70	811	86,414	65,484	152,779
IFRS to SII BEL variance	(44)	(390)	(5,979)	(562)	(6,975)
IFRS to SII TP variance	(43)	(385)	(5,595)	(526)	(6,549)

1. Refer to note D.2.2 for reconciliation between the valuation of IFRS technical provisions and solvency II gross BEL.

D.2.1 SOLVENCY II VALUATION BASIS

D.2.1.1 METHODOLOGY

The Technical Provisions (TPs) 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 BEL reflects 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 risk-free interest rate term structure (including applying the Matching Adjustment where relevant). Deterministic valuation techniques are used to calculate the BEL.

The main cash flows cover premiums, future financial obligations of policyholder benefits, and expenses of running the business (including investment expense and commission payments). The management actions used in the calculation of the TPs consider the time delays and costs applicable to their implementation.

The BEL is calculated gross, i.e. without deduction of the amounts recoverable from reinsurance contracts and reinsurance special purpose vehicles, but includes expenses in respect of these arrangements. The BEL is calculated at a level deemed appropriate for homogeneous risk groupings, at a minimum by line of business segmented according to Article 80 of directive 2009/138/EC.

Future premiums are only considered for the period up to where the policyholder or the Group has the option to establish, renew, extend, increase or resume the insurance contract, except for US Term business ceded to Legal and General Assurance Society Limited and Legal & General Reinsurance Company Limited, where the contract boundary is the maximum age in the contract, typically age 95 for Term assurance business.

Business not included in the cash flow projections on materiality grounds is explicitly allowed for in the BEL through manual adjustments. There are two instances where modelling simplifications are used, namely in the allowance for catastrophe risk (e.g. epidemic and event risks) and mass lapse risk, where data is limited and the probability weighted mean is not allowed for in the BEL. For these risks there is some offsetting amount in SCR.

The RM represents the amount that a market participant would expect to pay as compensation for risk in excess of the BEL (as defined in the PRA Rulebook for Solvency II firms). It is calculated separately from the BEL. In practice, it is calculated as the present value of the cost of capital to the firm of holding the SCR for certain defined risks (referred to here as the RM capital requirement), to meet adverse deviations on the underlying best estimate cash flows over the full run-off of the business. The RM capital requirement covers underwriting risk, credit risk associated with reinsurance contracts and operational risk. Future new business is not allowed for in the RM capital requirement. No allowance is made for the loss-absorbing capacity of deferred taxes as referred to in Article 108 of Directive 2009/138/EC.

The RM is calculated for each entity as a whole, allowing for diversification between the risks within the entity. The discount rate used in the cost of capital calculation is the relevant basic risk-free rate (excluding Matching Adjustment). The cost of capital rate is set to 6% as prescribed in Article 39 of the Delegated Regulation.

Where investment management agreements are in place between Legal & General Investment Management Limited and other group subsidiaries, at a legal entity level the TPs are calculated using investment expenses on a fees (rather than costs) basis. On group consolidation there is an adjustment to reduce this provision to the cost basis to eliminate any intragroup profit.

The calculation of the TPs is dependent on the quality of the data underlying the calculations. The data has been assessed in line with Article 48 of Directive 2009/138/EC. This assessment has concluded that the quality and sufficiency of data used in the preparation of the above TPs is such as to enable a reliable and adequate calculation of the technical provisions.

Further information on material elements of the technical provisions by division is set out below:

D.2.1.1.1 LEGAL & GENERAL RETIREMENT INSTITUTIONAL AND ANNUITIES WITHIN LEGAL & GENERAL RETAIL

Best Estimate Liabilities (BEL)
Deterministic actuarial projection models are used, in line with the methodology described above.

In addition, insurance undertakings are permitted to apply a Matching Adjustment (MA) to the relevant risk-free interest rate term structure when calculating the BEL for certain portfolios of life insurance obligations, subject to prior approval by the supervisory authorities. Both the Group and LGAS have been approved by the PRA to use a MA when calculating the BEL for the majority of its annuity business. This has been applied in line with the approved application.

Risk Margin (RM)
The RM capital requirement is projected forward for each future year over the run-off of the business.

Longevity is the most material component of the RM capital requirement and the calculation of the projection of future longevity risk allows for more accuracy than for other risks. Best estimate and stressed future cash flows are projected to capture the capital requirement at future points in time and the discounted cost of capital is derived. The capital requirement for other risk sub-groups are projected using a proxy approach, i.e. the projected capital requirements are estimated using appropriate carrier variables.

The Matching Adjustment Portfolio in LGRI and Retail is not assumed to be ring fenced for the purpose of the Risk Margin calculation.

D.2.1.1.2 LEGAL & GENERAL RETAIL (INSURANCE CONTRACTS)

Best Estimate Liabilities (BEL)
Deterministic actuarial projection models are used, in line with the methodology described above.

Risk Margin (RM)
The RM capital requirement is projected for each future year over the run-off of the business by risk sub-group. The projected RM capital requirement is estimated, using appropriate proxy carrier variables, e.g. sum assured.

For reinsurance accepted into LGAS from Legal & General America (LGA), the RM capital requirement is projected over the run-off of the business, with run-off factors determined by projecting the in-force business with real world best estimate assumptions to discrete points in the future. The capital requirement in intermediate years is calculated using linear interpolation. Stresses are applied to the individual non-hedgeable risk types. The RM capital requirement as at the valuation date is projected forward using these run-off factors.

D.2.1.1.3 UNIT-LINKED (INCLUDING WORKPLACE SAVINGS)

Best Estimate Liabilities (BEL)
For valuation purposes, the projected cash flows for unit-linked business assume no future premium payments in line with the definition of the contract boundary. The BEL is calculated as a combination of the bid value of policyholder units and a discounted value of future expected cash flows (i.e. expected fee income less expenses) over a suitable projection period using risk-free rates of return and best estimate experience assumptions.

The projection period differs for pooled business and segregated contracts, reflecting their inherently different contractual terms and conditions.

For the segregated business, the assets under management are excluded from the Solvency II balance sheet since these assets remain in the clients' possession. For the purposes of setting technical provisions under Solvency II rules, for segregated contracts the methodology directly reflects the Group's unilateral right to terminate the provided services upon one month's notice. Accordingly, the present value of future projected profits on segregated contracts would be calculated using a one month projection period, and applying this as a reduction in balance sheet liabilities. In practice, the value is taken to be zero. This proportionate approach gives materially the same overall result on the Solvency II basis.

Risk Margin (RM)
The RM capital requirement is projected forward using appropriate proxy carrier variables for each relevant risk; for example, the operational risk component is based upon the projected value of funds under management. This is appropriate since movements in fund sizes can be expected to impact transaction volumes and hence impact operational risks.

D.2.1.2 MAIN ASSUMPTIONS

This section covers the assumptions used in the calculation of the BEL for the Group's and LGAS's long-term insurance business.

Cash flow projections are determined using best estimate assumptions for each component of cash flow and for each policy group. The best estimate assumptions used in the valuation of the BEL are the same as those used for deriving IFRS assumptions, excluding any margin for prudence.

The best estimate assumptions are derived by reference to the most recent experience and any relevant market data, e.g. future mortality improvement factors issued by the Continuous Mortality Investigation.

Assumptions are set by following an established methodology which has been discussed with the Board.

Assumptions are set for homogeneous risk groups to avoid introducing distortions that might arise from combining business with different characteristics. Further details of the main assumptions are provided in Annex 3 of this report.

D.2.1.2.1 ECONOMIC ASSUMPTIONS

The economic assumptions have been set such that they reflect the economic conditions at the valuation date.

Risk-free yield curve
The yield curve used in the calculation of the TPs follows the methodology used by the PRA in their production of the technical information. The methodology applied is to construct zero coupon base rates from the underlying swap rates. The Group and LGAS use a continuously compounding version of this rate.

The Group and LGAS have received approval from the PRA to apply a Matching Adjustment (MA), which allows for an increase to be applied to the risk-free yield curve for the MA portfolios. No other adjustments have been made to the risk-free rate.

Inflation
Expense inflation rates have been set by reference to external indicators as at the valuation date. Assumptions for claims inflation, such as for RPI-linked annuities, are set using an assessment of inflation implied by UK government bond yields or inflation swap curves.

Unit growth
For the calculation of the non-unit BEL on linked contracts, an assumption regarding the rate of future unit growth is required. The assumption made is that the growth rate before charges is the same as the risk-free discount rate.

D.2.1.2.2 NON-ECONOMIC ASSUMPTIONS

Expenses
The cash flows used to calculate the BEL takes into account administrative, investment, claims and acquisition expenses, allowing for future expense inflation. The assumptions for long-term maintenance unit costs are set based on the forecast expenses, suitably adjusted where necessary, and include overhead expenses in line with the approved methodology.

Mortality and morbidity

Regular investigations of mortality and morbidity experience against appropriate base tables are conducted, with the portfolio segmented by groups of contracts that are expected to exhibit similar mortality and/or morbidity trends. An investigation is normally carried out from time to time (typically every three years) to review the fit of the experience to an appropriate base mortality table. In other years, assumptions are compared to the results of the most recent experience investigations and revised where the experience implies a shift that is likely to be due to more than random fluctuation. The best estimate assumptions allow for claims incurred, but not reported, by the investigation date.

The assumption for annuitant mortality is set as a combination of a base table (i.e. the rate of mortality currently experienced by annuitants) plus future improvements (i.e. how the rates of mortality will change over time). The mortality basis for retail protection business is set as a base table plus an allowance for deterioration in respect of contracts with critical illness cover benefits. Future mortality improvement assumptions are made for term and whole of life products.

For some classes where the reserves are insensitive to the chosen level of mortality, no investigation is carried out, but an assumption is set in line with available data.

No adjustment has been made to the long-term bases for the impact of Covid-19. However, provisions were held for future excess claims in the short term.

Persistency

Persistency experience can include lapses, partial withdrawals and early retirement, where relevant. Persistency rates are reviewed annually for most products to determine the best estimate. This investigation generally uses three years of data with a six-month delay, to allow for lapses that the Group or LGAS have not been notified of at the date of the investigation, to generate weighted average (by premium) lapse rates. The long-term persistency assumptions are set using these lapse rates. Alternative approaches are used if it is considered that the exposure is insufficient for the experience to be credible, observed lapse rates are excessively volatile or it is expected that the lapse experience will change in future.

Spouse demography

For bulk purchase annuities, assumptions are required where an annuitant's spousal data is not available. These assumptions include the proportion of annuitants within the portfolio who are eligible for a spouse's benefit at the valuation date, and the difference in age between married couples at the time of death of the primary annuitant.

Regular investigations are carried out (at least every three years) to determine these assumptions by examining the experience of the portfolio and comparing these to published population projections.

Further details of the main assumptions are provided in Annex 3 of this report.

D.2.1.3 MATERIAL CHANGES IN ASSUMPTIONS COMPARED TO THE PREVIOUS REPORTING PERIOD

The most material changes to assumptions from the previous reporting period to the current reporting period are listed below.

- Mortality assumptions for UK annuity business have been updated to reflect the most recent experience, and annuitant mortality trend assumptions have been updated to the CMI 2020 model, with no change to the long-term improvement rates. In total, these changes led to a reduction in BEL for the Group of £690m gross of reinsurance, £290m net of reinsurance and for LGAS a reduction in BEL of £690m gross of reinsurance, £220m net of reinsurance.
- There were minor changes to expense assumptions, persistency assumptions and mortality assumptions for insurance business, all to reflect the latest experience. In total, all of these changes increased BEL by less than £100m.

D.2.1.4 TRANSITIONAL MEASURES

The Group and LGAS do not apply the transitional risk-free interest rate-term structure.

Both the Group and LGAS apply the Transitional Measure on Technical Provisions (TMTP). The TMTP was recalculated in accordance with Article 308d of Directive 2009/138/EC at 31 December 2022. The Group and LGAS obtained regulatory approval to recalculate its TMTP at this date, following a material change in the risk profile due to a change in interest rates since the last formal recalculation.

As at 31 December 2022 the impact of not applying the transitional measure is provided in the table below:

As at 31 December 2022 (£m)	Group Regulatory basis	Group Impact	Group Adjusted balance	LGAS Regulatory basis	LGAS Impact	LGAS Adjusted balance
Technical provisions	343,581	2,136	345,717	128,450	1,640	130,090
SCR[1]	7,311	423	7,734	4,737	461	5,198
MCR				1,253	46	1,299
Basic Own Funds	17,329	(1,726)	15,603	9,828	(1,230)	8,598
Eligible Own Funds for SCR	17,229	(1,726)	15,503	9,828	(1,230)	8,598
Eligible Own Funds for MCR				9,828	(1,230)	8,598
Capital coverage ratio	236%	(36)%	200%	207%	(42)%	165%
MCR coverage ratio				784%	(122)%	662%

1. The Solvency Capital Requirement is not subject to audit.

The TMTP has been calculated in line with PRA approvals and is not subject to audit.

D.2.1.5 VOLATILITY ADJUSTMENT

Both the Group and LGAS do not apply a volatility adjustment.

D.2.1.6 MATCHING ADJUSTMENT (MA)

In common with other UK annuity providers, the Group and LGAS have received approval from the PRA to apply a MA, in line with Article 77b of Directive 2009/138/EC.

The MA is applied as an addition to the risk-free interest rate term structure and applies to individual annuities and certain bulk purchase annuity schemes that meet the approved eligibility criteria. The assets contained within the Matching Adjustment Portfolios are predominantly corporate bonds, but also long-term direct investments held in MA-eligible structures, such as infrastructure investments and lifetime mortgages.

As at 31 December 2022 the impact of removing the approval to use a MA is provided in the table below:

As at 31 December 2022 (£m)	Group Regulatory basis	Group Impact	Group Adjusted balance	LGAS Regulatory basis	LGAS Impact	LGAS Adjusted balance
Technical provisions	343,581	8,847	352,428	128,450	6,660	135,110
SCR[1]	7,311	11,718	19,029	4,737	8,097	12,834
MCR				1,253	2,024	3,277
Basic Own Funds	17,329	(7,182)	10,147	9,828	(4,995)	4,833
Eligible Own Funds for SCR	17,229	(7,182)	10,047	9,828	(4,995)	4,833
Eligible Own Funds for MCR				9,828	(4,995)	4,833
Capital coverage ratio	236%	(183)%	53%	207%	(169)%	38%
MCR coverage ratio				784%	(637)%	147%

1. The Solvency Capital Requirement is not subject to audit.

Losing MA approval is a remote risk for the business; however, Article 296(2d) of the Solvency II Delegated Regulation requires the disclosure of the impact assuming that a firm does not have approval to use a MA. We have an extensive controls framework to ensure our on-going MA compliance and we have a regular dialogue with the PRA about our MA strategy.

The impact of long-term guarantees and transitional measures is disclosed in S.22.01 (see Annex 1) using a cumulative approach, losing first TMTP and then also MA. The tables above reflect only the loss of either TMTP or MA. As a result, the results above may look different to those disclosed in S.22.01.

D.2.2 RECONCILIATION BETWEEN THE VALUATION OF IFRS TP AND SOLVENCY II GROSS BEL

The table below bridges the BEL under Solvency II to the IFRS liabilities:

(£m)	Group 2022	LGAS 2022	Group 2021	LGAS 2021
Closing IFRS TPs	**357,167**	**131,978**	462,779	152,779
Removal of entities aggregated under the D&A method	**(7,843)**	**-**	(7,032)	-
Data changes	**(47)**	**14**	(47)	13
Model changes	**17**	**(12)**	-	-
Assumptions changes	**(5,704)**	**(3,053)**	(8,882)	(5,984)
Methodology changes	**(626)**	**(737)**	(768)	(1,004)
Closing Solvency II gross BELs	**342,964**	**128,190**	446,050	145,804

Removal of entities aggregated under the deduction & aggregation method

As described in Note 2 of this section, the Group has been granted approval to use method 2 Deduction and Aggregation (D&A) for the consolidation of the entities listed in section D Note 2. This reduces the Solvency II BEL by £7.8bn for entities consolidated under the D&A approach. The NAV contribution of these entities is brought through in the Solvency II balance sheet as participations.

Assumptions differences

The reduction in liabilities from non-economic assumption differences primarily relates to the removal of margins for adverse deviation allowed for in the IFRS liabilities. The BEL is calculated using best estimate assumptions excluding these prudent margins.

This is partially offset by an increase in liabilities from economic assumption differences which primarily relates to the move from discounting the cash flows at a prudent valuation interest rate (VIR) under IFRS to using the risk-free interest rate term structure plus MA for eligible liabilities under Solvency II.

Methodology differences

The methodology changes arise from differences in the accounting treatment of negative non-unit liabilities, outstanding claims, which are included in the IFRS liabilities but not included in the BEL, and from differences in the consolidation of intragroup reinsurance.

D.2.3 REINSURANCE RECOVERABLES

The calculation of the reinsurance recoverable asset is consistent with the calculation of the gross BEL described above, except that where a MA is applied to the gross BEL on eligible business, the equivalent reinsurance recoverable asset will be discounted at the risk-free interest rate term structure, excluding MA. The reinsurance recoverable asset is adjusted for the best estimate probability of reinsurer default and includes an allowance for the timing difference between recoveries and reinsurance payments.

Reinsurance recoverables are described in Section D.1.2.3 above. The Group and LGAS have no SPVs authorised under Article 211 of the Solvency II Directive.

The Group held reinsurance recoverables of £1,324m as at 31 December 2022 (2021: £552m), of which £1,319m (2021: £528m) is related to Life business (excluding health, index-linked and unit-linked).

Table below illustrates the adjustments made to BEL for reinsurance recoverables for LGAS:

As at 31 December 2022 (£m)	**Gross technical provisions**	**Reinsurance recoverables**	**Net technical provisions**
Index-linked and unit-linked insurance	**(65,888)**	**66,334**	**446**
Other life insurance	**(61,389)**	**17,717**	**(43,672)**
Accepted reinsurance	**(940)**	**164**	**(776)**
Health insurance	**(224)**	**81**	**(143)**
Non-life non-proportional property reinsurance	**(9)**	**5**	**(4)**
Total	**(128,450)**	**84,301**	**(44,149)**

As at 31 December 2021 (£m)	Gross technical provisions	Reinsurance recoverables	Net technical provisions
Index-linked and unit-linked insurance	(64,958)	65,462	504
Other life insurance	(79,641)	21,779	(57,862)
Accepted reinsurance	(1,178)	213	(965)
Health insurance	(426)	172	(254)
Non-life non-proportional property reinsurance	(27)	24	(3)
Total	(146,230)	87,650	(58,580)

D.2.4 LEVEL OF UNCERTAINTY ASSOCIATED WITH THE VALUE OF TECHNICAL PROVISIONS (TP)

The assumptions underpinning the Technical Provision calculations are the best estimate view of the Group and LGAS. As one of the UK's largest life insurers, both the Group and LGAS have a significant amount of data regarding its own historic experience. Experience investigations using this data are undertaken regularly and the results are used to inform the choice of best estimate assumptions. This is augmented by expert judgement, in particular where past experience is not considered to be an appropriate reflection of future expectations.
The Group and LGAS remain exposed to certain key areas of risk, including:

- Future levels of mortality for UK and US annuity business. This remains a material source of uncertainty, but experience is closely monitored, and assumptions are reviewed regularly, taking into account the latest available data.
- Market conditions: TP can be very sensitive to changes in certain economic conditions, including inflation, interest rates, credit default rates, and equity markets. The Group and LGAS has strategies in place to limit the exposure to these risks, but a certain level of uncertainty remains.
- Early termination rates: policyholder behaviour can be unpredictable. In some cases, decisions made by policyholders to terminate policies can have a significant impact on TP. This is a particular risk for US Term business where lapse rates are subject to a shock lapse at the end of the level term period.

The level of uncertainty in TP is mitigated through the use of reinsurance to reduce exposure to particularly significant risks such as life expectancy.

Both the Group and LGAS calculate the amount of expected profit in the premiums not yet received into the Group (EPIFP). This shows the level of margin that is expected to emerge, if the current assumptions are borne out in practice.

D.3 OTHER LIABILITIES

The Group's other liabilities under Solvency II are £57,037m (2021: £27,476m) compared to the total value of other liabilities under IFRS of £143,971m (2021: £108,916m).

(£m)	2022	2021
IFRS valuation of other liabilities	**143,970**	108,916
Solvency II valuation of other liabilities	**57,037**	27,476
Difference	**(86,933)**	(81,440)
Explained by:		
Differences in the consolidation approach	**(84,939)**	(82,118)
Conversion to aggregation under the D&A method	**(2,756)**	(1,018)
Solvency II valuation differences	**762**	1,696
Difference	**(86,933)**	(81,440)

Changes to the consolidation approach and use of the Deduction and Aggregation (D&A) method are as described above in Section D.1. Details of the Group's other liabilities and the impact of valuation differences under IFRS are shown below for the Group:

Other liabilities as at 31 December 2022 (£m)	Notes	Solvency II	IFRS	Variance	Differences due to IFRS valuation
Provisions other than technical provisions		**164**	**273**	**(109)**	**-**
Pension benefit obligations	D.3.1	**620**	**617**	**3**	**8**
Deposits from reinsurers		**-**	**938**	**(938)**	**-**
Deferred tax liabilities	D.3.2	**751**	**428**	**323**	**612**
Derivatives		**45,690**	**51,190**	**(5,500)**	**-**
Debts owed to credit institutions	D.3.3	**708**	**1,849**	**(1,141)**	**38**
Insurance and intermediaries payables	D.3.4	**564**	**44**	**520**	**520**
Reinsurance payables	D.3.5	**232**	**362**	**(130)**	**-**
Payables (trade, not insurance)		**4,860**	**84,480**	**(79,620)**	**-**
Subordinated liabilities	D.3.6	**3,448**	**3,749**	**(301)**	**(376)**
Any other liabilities, not shown elsewhere	D.3.7	**-**	**40**	**(40)**	**(40)**
Total		**57,037**	**143,970**	**(86,933)**	**762**

Other liabilities as at 31 December 2021 (£m)	Notes	Solvency II	IFRS	Variance	Differences due to IFRS valuation
Provisions other than technical provisions		109	213	(104)	-
Pension benefit obligations	D.3.1	1,047	1,025	22	26
Deferred tax liabilities	D.3.2	978	251	727	680
Derivatives		13,996	15,718	(1,722)	-
Debts owed to credit institutions	D.3.3	750	1,532	(782)	195
Insurance and intermediaries payables	D.3.4	605	18	587	590
Reinsurance payables	D.3.5	43	122	(79)	(65)
Payables (trade, not insurance)		5,953	86,355	(80,402)	-
Subordinated liabilities	D.3.6	3,995	3,656	339	296
Any other liabilities, not shown elsewhere	D.3.7	-	26	(26)	(26)
Total		27,476	108,916	(81,440)	1,696

LGAS other liabilities as at 31 December 2022 and the impact of valuation differences under IFRS are as below:

Other liabilities as at 31 December 2022 (£m)	Notes	**Solvency II**	**IFRS**	**Variance**
Provisions other than technical provisions[1]		**64**	**65**	**(1)**
Deposits from reinsurers		**16,047**	**16,047**	**-**
Deferred tax liabilities	D3.2	**451**	**-**	**451**
Derivatives		**45,400**	**45,400**	**-**
Debts owed to credit institutions		**2**	**2**	**-**
Insurance and intermediaries payables		**563**	**563**	**-**
Reinsurance payables	D3.5	**232**	**232**	**-**
Payables (trade, not insurance)		**9,114**	**9,114**	**-**
Any other liabilities, not shown elsewhere	D3.7	**-**	**26**	**(26)**
Total		**71,873**	**71,449**	**424**

Other liabilities as at 31 December 2021 (£m)	Notes	Solvency II	IFRS	Variance
Provisions other than technical provisions[1]		26	26	-
Deposits from reinsurers		20,723	20,723	-
Deferred tax liabilities	D3.2	829	-	829
Derivatives		13,834	13,834	-
Insurance and intermediaries payables		551	551	-
Reinsurance payables	D3.5	43	43	-
Payables (trade, not insurance)		10,895	10,895	-
Any other liabilities, not shown elsewhere	D3.7	-	18	(18)
Total		46,901	46,090	811

1. IFRS include the provision recognised on an onerous contract which reflected in the BELs under SII.

D.3.1 PENSION BENEFIT OBLIGATIONS

The Group operates the following defined benefit pension schemes in the UK and overseas:

- Legal & General Group UK Senior Pension Scheme (UK);
- Legal & General Group UK Pension & Assurance Fund (UK);
- Legal & General America Inc. Cash Balance Plan (US); and
- CALA Pension Scheme (UK).

In the Group's Solvency II balance sheet, the surplus/(deficit) of the defined benefit pension schemes is reported as shown in the following table:

(£m)	2022	2021
Gross pension benefit obligations	**620**	1,047
Annuity obligations insured by LGAS (included in technical provisions)	**(726)**	(1,007)
Total Pension scheme surplus	**106**	30

Further detail on the pension benefit obligations is provided below:

	2022 £m	2022 %	2021 £m	2021 %
Assured Payment Policy	**820**	**94%**	1,214	91%
Cash	**48**	**6%**	114	9%
Total Pension scheme assets	**868**	**100%**	1,328	100%
Current pensioners[1]	**1,016**	**68%**	1,420	60%
Non-pensioner liabilities	**472**	**32%**	955	40%
Total Pension scheme liabilities	**1,488**	**100%**	2,375	100%
Gross Pension benefit obligations	**620**		1,047	

1. 'Current pensioners' includes £726m (2021: £1,017m) relating to liabilities secured by way of annuities purchased from the Group. This amount is excluded from the assets.

Under Solvency II, the Group's defined benefit pension schemes are valued under the IAS19 basis, which uses the methodology prescribed for IFRS reporting. Valuation differences on the pensions insured internally within the Group account for the £8m (2021: £26m) valuation difference under Solvency II.

The Solvency II surplus/deficit is calculated as the fair value of plan assets less the present value of the defined benefit obligation at the balance sheet date, provided any surplus in the fund is not restricted.

D.3.2 DEFERRED TAX LIABILITIES:

Deferred tax asset and liabilities are valued and measured in accordance with IFRS principles, with the exception that the carrying value of assets and liabilities for the calculation of temporary differences are the carrying values ascribed under Solvency II. Deferred tax is recognised on unused losses to the extent that it is probable that future taxable profits will arise, against which the losses can be utilised. There is an immaterial amount of non-expiring unused losses, for which no deferred tax asset is recognised on the Solvency II balance sheet.

Differences between the value of deferred tax assets and liabilities under Solvency II and IFRS arise mainly on the valuation of technical provisions and deferred acquisition costs.

The net deferred tax liability on the Group's Solvency II balance sheet of £751m (2021: £978m) and the equivalent net deferred tax liability on the IFRS balance sheet are summarised below:

(£m)	Solvency II 2022	IFRS 2022	Solvency II 2021	IFRS 2021
Deferred tax assets	-	(180)	-	(2)
Deferred tax liabilities	751	428	978	251
Net deferred tax liabilities	**751**	**248**	**978**	**249**

As at 31 December 2022 (£m)	Solvency II	IFRS
Deferred acquisition expenses	(7)	-
Difference between the tax and accounting value of insurance contracts	767	178
Realised and unrealised gains on investments	83	1
Excess of depreciation over capital allowances	(12)	(12)
General provisions	(53)	(53)
Trading losses	(1)	(1)
Pension fund deficit	28	26
Acquired intangibles	(54)	-
Net deferred tax (assets)/liabilities	**751**	**139**
'Holdings In Related Undertakings Line' on Solvency II balance sheet		36
Net deferred tax liabilities valued on a D&A basis on Solvency II balance sheet		73
Net deferred tax (assets)/liabilities – IFRS balance sheet		**248**

There are no material unrecognised deferred tax assets.

LGAS has a total deferred tax liability on the Solvency II balance sheet of £451m (2021: £829m), comprised of the following material components:

(£m)	Solvency II 2022	IFRS 2022	Solvency II 2021	IFRS 2021
Deferred acquisition expenses	(6)	-	(4)	-
Difference between tax and accounting value of insurance contracts	537	-	874	-
Realised and unrealised gains/(losses) on investments	(7)	(7)	16	16
Excess of depreciation over capital allowances	(11)	(11)	(12)	(12)
General provision	(8)	(8)	(4)	(4)
Acquired intangibles	(54)	-	(41)	-
Total deferred tax (asset)/liability	**451**	**(26)**	**829**	**-**

None of the above deferred tax assets or liabilities have an expiration date.

D.3.3 DEBTS OWED TO CREDIT INSTITUTIONS

Under IFRS, debts owed to credit institutions are held at amortised cost less impairment. On the Solvency II balance sheet bank loans are valued at fair value, excluding changes in own credit risk. This gives rise to a valuation difference for the Group of £38m (2021: £195m) between Solvency II and IFRS.

D.3.4 INSURANCE AND INTERMEDIARIES PAYABLES

All insurance payables are measured at fair value in line with IFRS. Outstanding claims which are included in participating and non-participating contract liabilities under IFRS are presented as payables under Solvency II, and this gives rise to a presentational difference of £520m (2021: £590m) which is offset by a corresponding difference in Technical Provisions.

D.3.5 REINSURANCE PAYABLES

Reinsurance payables are valued at fair value in line with IFRS. There is no valuation difference to IFRS. Certain items are treated as payables in IFRS but are incorporated into best estimate liabilities in Solvency II.

D.3.6 SUBORDINATED LIABILITIES

Under IFRS subordinated liabilities are held at amortised cost less impairment. On the Solvency II balance sheet subordinated liabilities are valued at fair value, excluding changes in own credit risk.

The fair value of subordinated liabilities is determined by utilising a pricing function where the yield has been adjusted to exclude changes in own credit (equal to current risk free rate plus credit spread at inception). This has been derived as follows:

- The 'risk free' rate is equal to the rate of a UK treasury bond with similar maturity date and other characteristics to the Group subordinated debt instrument at the balance sheet date; and
- The 'credit spread' is equal to the spread of the Group subordinated debt instrument as at the date it was issued (as opposed to the balance sheet date).

This gives rise to a valuation difference of £(376)m (2021: £296m) between Solvency II and IFRS.

D.3.7 ANY OTHER LIABILITIES, NOT SHOWN ELSEWHERE

For the Group under IFRS there are items such as deferred income liabilities (DIL), reinsurer's share of DAC and liabilities held for sale, which are not shown separately on the Solvency II balance sheet.

The DIL represent initial charges which are spread over the lifetime of the savings contracts, and are recognised under IFRS on contracts where there is no actuarial reserves in order that there is no day 1 profit. Under Solvency II these charges are allowed for in the BEL. This gives risk to a valuation difference for the Group of £40m (2021: £26m) and £26m (2021: £18m) for LGAS.

D.3.9 CHANGES IN ASSUMPTION AND VALUATION BASES

There have been no significant changes in assumptions, valuation bases or estimations for other liabilities in the reporting period.

D.4 ALTERNATIVE METHODS FOR VALUATION

Legal & General has in place a group-wide valuation policy, which sets out the requirements to ensure that all assets across the Group, using alternative valuation methods, are governed, controlled and valued in a manner that is appropriate and consistent with the requirements of Article 263 of the Delegated Regulation. This policy includes a requirement for ensuring valuation models are reviewed on a timely basis and that independent review of the models and outputs is obtained on a regular basis.

A Group Asset Valuation Committee ("the Committee") monitors the application of the processes and compliance with the Group policy. This includes setting the policies to ensure appropriate documentation, including documentation of the models, significant assumptions and limitations, sensitivities and an assessment of the resulting valuations.

The Committee is responsible for the oversight of asset valuations for each of the Solvency II regulated entities, for Legal & General Capital Investments Limited, and for the US business, to confirm its asset values for the deduction and aggregation methodology. The Committee receives management information relating to each significant entity on their assessments of valuation uncertainty and provides oversight and challenge to these.

Whilst the Committee reviews all assets to which the shareholder has some exposure, its main focus is on assets which present the highest level of valuation uncertainty. These assets include:

Private Credit (including commercial real estate loans)
These are illiquid private assets and valuations are derived by using a discounted future cash flow approach with yields based on selected comparator bonds with similar durations and investment grades, combined with an assumption on the initial spread of the investment.

Valuation uncertainty is assessed by adjusting the discount rate for reasonable alternative assumptions in relation to duration and credit quality of the counterparty.

Income strips
These are property investment assets with lease durations typically in excess of 30 years. This asset class is valued using a yield to maturity discounted future cash flow approach based on comparator bond durations and investment grades, combined with assumptions on initial spread and future inflation factors.

The valuation uncertainty element has been assessed by calculating sensitivities to fixed income yields, property yields and a fixed sensitivity in line with applicable case law. Each sensitivity is then weighted appropriately to determine an overall sensitised value.

Lifetime mortgage loans
There is no relevant market-observable value for lifetime mortgage assets. However, the amount paid to acquire the assets at outset is objective and is assumed to be the market value of the loan at the start date.

Each lifetime mortgage loan is valued by projecting the expected proceeds and discounting at an appropriate discount rate. The main component of the spread is an estimate of the expected spread if the loan were issued on terms currently offered on new loans (with comparable LTVs). This spread will change over time and aims to capture movements in the illiquidity premium available from investing in such lifetime mortgage assets.

To project the expected proceeds, the assumptions include expected future property prices, volatility of property price growth, costs of selling the properties, the expected impact of the no negative equity guarantee, decrement rates (mortality, morbidity and prepayment, as well as timing lags), and running expenses. Valuation uncertainty has been assessed by applying sensitivities to those key valuation assumptions.

The asset valuation has been subjected to a variety of sensitivity tests covering reasonable ranges.

Investment property
Due to the non-heterogeneity of the property portfolio, the valuation of the Group's investment property assets are provided by external valuation experts on a quarterly basis which are calibrated to recent precedent transactions in the market place. The external valuations are performed in line with professional valuation standards as prescribed by the Royal Institute of Chartered Surveyors.

Valuation uncertainty has been estimated by using various sensitivity analyses, by property type, to property yields and a sensitivity in line with applicable case law. Each sensitivity is then weighted appropriately to determine an overall sensitised value.

Sale and Leaseback arrangements
For Group companies, these are valued as investment property.

The Sale and Leaseback transactions are valued quarterly by CBRE who also provide a market value and a vacant possession value, both of which are used to split the value of the Sale & Leaseback assets into a rental cash flow stream and a property residual value. External property valuations are performed in line with professional valuation standards as prescribed by the Royal Institute of Chartered Surveyors. The Sale & Leaseback assets in LGAS are held through securitised notes and classified as debt instruments.

Non-traded or illiquid bonds and equities
Illiquid fixed income securities are valued using a price from the counterparty broker to the deal where possible. Where this is not available, the Group uses the purchase or issue price.

Illiquid equity valuations are derived in line with IPEV guidelines, by establishing a valuation with reference to relevant market, income and cost factors. These valuations are subject to internal review through independent asset valuation committees. Where possible, the valuations are reviewed by independent expert valuation companies.

Following the completion of these processes the Group has concluded that its assets are valued appropriately in accordance with Article 10 of the Solvency II Delegated Regulation and appropriately reflect consideration of valuation uncertainty.

D.4.1 ADEQUACY OF THE VALUATION COMPARED TO EXPERIENCE

Where possible, the Group policy aims to value its assets using prices obtained from independent pricing providers. Where independent pricing is obtained, quality checks are performed to ensure valuations are appropriate. These include comparisons to like prices received from multiple providers, comparisons to previous day or period reported prices, spread tolerances built within the pricing, benchmarking to relevant indices and other tolerance-based analyses. Deviations from tolerances are investigated and reported through the relevant asset governance process.

For assets where mark-to-market valuations from independent pricing providers are not available, the Group performs reviews to validate and verify the continued suitability of the model for valuation purposes. This includes verification of the information, data, assumptions and output of the model, and a review of the model to ensure that it is still appropriate. The latter might consider external factors such as developments in standard modelling techniques for the asset in question, or internal factors such as evidence of the valuation against purchases or disposals of similar assets.

E. Capital Management[5]

E.1 OWN FUNDS

E.1.1 OBJECTIVES FOR MANAGING OWN FUNDS

Both the Group and LGAS boards have established Risk Appetite statements to set the overall objective for capital; entities aim to maintain an appropriate buffer of capital resources over the minimum regulatory capital requirements. The boards set a quantitative risk appetite for the Solvency II coverage ratio and this is used to monitor the position relative to the risk appetite.

The Group Capital Committee considers and approves matters such as capital allocation, new product lines, large transactions and capital investments, mergers and acquisition transactions, direct investments and other material group-wide matters that may arise.

The Group's capital position is monitored by the Group Capital Committee and GRC on a monthly basis or more frequently if deemed appropriate. These committees identify if actions are required in order to maintain the Group capital position.

Each year both the Group and LGAS prepare a five-year Capital Plan, consistent with the Group and LGAS Strategic and Business Plans, to forecast how the capital position is expected to develop over the business planning period and to consider the impact of the strategy on the capital position. Performance against the Capital Plan is monitored on a regular basis and is used to inform decisions on the entity's capital structure and dividend policy.

Regarding the Group's capital management, a combination of methods, as referred to in Articles 230 and 233 of the Solvency II Directive is used to calculate the Group solvency. The method used for each individual undertaking in the Group is described in Column C0260 of the QRT S.32.01.22 (shown in Annex 1 of this report).

There have been no significant changes in the objectives for managing Own Funds in the year.

E.1.2 QUANTITATIVE EXPLANATION OF OWN FUNDS

The components of IFRS equity and Solvency II Own Funds for the Group as at 31 December 2022 are as follows:

(£m)	IFRS Equity 2022	Solvency II Own Funds 2022	IFRS Equity 2021	Solvency II Own Funds 2021
Ordinary shares	149	149	149	149
Share premium	1,018	1,018	1,012	1,012
Preference share (Tier 1 notes)	495	495	495	495
Retained earnings and reserves	10,477	-	9,287	-
Reconciliation reserve	-	12,219	-	12,060
Subordinated liabilities	-	3,448	-	3,995
Total	**12,139**	**17,329**	10,943	17,711

5. The calculation of the Risk Margin, Solvency Capital Requirement and Transitional Measures on Technical Provisions, referenced within this section, are not subject to audit.

The components of IFRS equity and Solvency II Own Funds for LGAS as at 31 December 2022 are as follows:

(£m)	IFRS Equity 2022	Solvency II Own Funds 2022	IFRS Equity 2021	Solvency II Own Funds 2021
Ordinary shares	**651**	**651**	651	651
Share premium	**1,049**	**1,049**	1,049	1,049
Retained earnings	**6,713**	**-**	5,830	-
Reconciliation reserve	**-**	**8,128**	-	8,316
Total	**8,413**	**9,828**	7,530	10,016

E.1.3 STRUCTURE, AMOUNT, AND QUALITY OF BASIC OWN FUNDS

All Group Own Funds have been assessed as Basic Own Funds. There are no ancillary Own Fund items included in total Own Funds. Basic Own Funds have been assessed against Article 71 of the Delegated Regulation and have been categorised accordingly.

The structure and quality of the Group's Own Funds by tier is as follows:

As at 31 December 2022 (£m)	Notes	**Total**	**Tier 1 Unrestricted**	**Tier 1 Restricted**	**Tier 2**	**Tier 3**
Ordinary share capital (gross of own shares)	E.1.4.1	**149**	**149**	**-**	**-**	-
Share premium account related to ordinary share capital	E.1.4.1	**1,018**	**1,018**	**-**	**-**	-
Restricted Tier 1 notes	E.1.4.2	**495**	**-**	**495**	**-**	-
Reconciliation reserve[1]	E.1.4.3	**12,219**	**12,219**	**-**	**-**	-
Subordinated liabilities	E.1.4.5	**3,448**	**-**	**-**	**3,448**	-
Total Basic Own Funds		**17,329**	**13,386**	**495**	**3,448**	**-**
Restrictions to Own Funds	E.1.5	**(100)**	**(100)**	**-**	**-**	**-**
Total Eligible Own Funds to cover the SCR		**17,229**	**13,286**	**495**	**3,448**	**-**
Total Eligible Own Funds to cover the MCR[2,3]		**12,820**	**11,986**	**495**	**339**	**-**

As at December 2021 (£m)	Notes	Total	Tier 1 Unrestricted	Tier 1 Restricted	Tier 2	Tier 3
Ordinary share capital (gross of own shares)	E.1.4.1	149	149	-	-	-
Share premium account related to ordinary share capital	E.1.4.1	1,012	1,012	-	-	-
Restricted Tier 1 notes	E.1.4.2	495	-	495	-	-
Reconciliation reserve[1]	E.1.4.3	12,060	12,060	-	-	-
Subordinated liabilities	E.1.4.5	3,995	-	-	3,995	-
Total Basic Own Funds		17,711	13,221	495	3,995	-
Restrictions to Own Funds	E.1.5	(174)	(174)	-	-	-
Total Eligible Own Funds to cover the SCR		17,537	13,047	495	3,995	-
Total Eligible Own Funds to cover the MCR[1,2]		13,093	12,166	495	432	-

1. Excludes £8m of other non-available own funds, see E.1.5.
2. Excludes Own Funds from other financial sector firms and from the undertakings included via Method 2 – Deduction and Aggregation.
3. Tier 2 funds eligible to meet the MCR are capped at 20% of the MCR, as specified in Article 82 of the Delegated Regulation.

An analysis of significant movements in the items of Basic Own Funds during the period is provided in Section E.1.4. Further details on the restrictions to Own Funds are provided in Section E1.5.

Group Own Funds are based on the consolidated group IFRS balance sheet, from which all intragroup transactions have been eliminated, and Solvency II adjustments are performed net of intragroup transactions.

All of LGAS's Own Funds have been assessed as Basic Own Funds. There are no Ancillary Own Fund items included in total Own Funds. Basic Own Funds have been assessed against Article 71 of the Delegated Regulation and have accordingly all been categorised as Tier 1 unrestricted own funds.

There are no items of Own Funds subject to transitional arrangements for LGAS.

E.1.4 DETAILS OF OWN FUNDS ITEMS AND ANALYSIS OF SIGNIFICANT MOVEMENTS IN OWN FUNDS DURING THE YEAR

E.1.4.1 ORDINARY SHARE CAPITAL AND SHARE PREMIUM

As at 31 December 2022, the Group had an aggregate issued and paid up ordinary share capital of £149m (2021: £149m) and share premium of £1,018m (2021: £1,012m). The share premium increased by £6m during the year as a result of the issuance of shares for savings related share options exercised during the year under employee share option schemes.

As at 31 December 2022, LGAS had an aggregate issued and paid up ordinary share capital of £651m (2021: £651m) and share premium of £1,049m (2021: £1,049m).

E.1.4.2 RESTRICTED TIER 1 NOTES

On 24 June 2020, Legal & General Group Plc issued £500m of 5.625% perpetual Restricted Tier 1 contingent convertible notes. The notes are callable at par between 24 March 2031 and 24 September 2031 (the First Reset Date) inclusive and every 5 years after the First Reset Date. If not called, the coupon from 24 September 2031 will be reset to the prevailing five year benchmark gilt yield plus 5.378%. The notes have no fixed maturity date. Optional cancellation of coupon payments is at the discretion of the issuer and mandatory cancellation is upon the occurrence of certain conditions. The Tier 1 notes are therefore treated as equity and coupon payments are recognised directly in equity when paid. During the year coupon payments of £28m were made (2021: £28m). The notes rank junior to all other liabilities and senior to equity attributable to owners of the parent. On the occurrence of certain conversion trigger events the notes are convertible into ordinary shares of the Issuer at the prevailing conversion price. The notes are treated as restricted Tier 1 own funds for Solvency II purposes. The Solvency II value of these notes at 31 December 2022 was £495m (2021: £495m).

E.1.4.3 RECONCILIATION RESERVE

The Reconciliation reserve is a core component of Basic Own Funds. The following table sets out how the reconciliation reserve is determined:

(£m)	**Group 2022**	**LGAS 2022**	Group 2021	LGAS 2021
Excess of assets over liabilities	**13,891**	**9,828**	13,725	10,016
Ordinary share capital	**(149)**	**(651)**	(149)	(651)
Share premium account	**(1,018)**	**(1,049)**	(1,012)	(1,049)
Preference share (Tier 1 notes)	**(495)**	**-**	(495)	-
Other non-available own funds[1]	**(10)**	**-**	(9)	-
Reconciliation reserve	**12,219**	**8,128**	12,060	8,316

1. Details of other non-available own funds are provided in E.1.5.

The Reconciliation Reserve is predominantly made up of the excess of assets over liabilities, adjusted for ordinary share capital, the share premium account and restricted Tier 1 notes, which are presented as separate components of Own Funds.

E.1.4.4 ANALYSIS OF MOVEMENT IN OWN FUNDS

An analysis of significant movements in Own Funds during the year is provided below:

(£m)	Group Own Funds	LGAS Own Funds
Own Funds as at 31 December 2021	**17,537**	**10,016**
Net surplus generation	**1,742**	**966**
Dividend paid	**(1,116)**	**(784)**
Other operating and non-operating variances	**(934)**	**(370)**
Own Funds as at 31 December 2022	**17,229**	**9,828**

The decrease in the Group's Own Funds is primarily from dividend payments of £1,116m to shareholders during the year as well as £934m of other operating and non-operating variances. These were offset by the net surplus generation of £1,742m from the books of existing and new business, which includes the release of Risk Margin and TMTP.

The decrease in LGAS total Own Funds is primarily from dividend payments of £784m to Legal & General Insurance Holdings Limited (LGAS immediate parent). In addition, there were £370m of other operating and non-operating variances during the year. These were offset by the net surplus generation of £966m from the books of existing and new business.

Other operating and non-operating variances include experience variances, market movements and assumption changes, including those described in Section D.2.1.3.

E.1.4.5 SUBORDINATED LIABILITIES

In assessing the quality of each material Own Fund item, the Group has considered, along with the outstanding duration, the extent to which it is available against the following criteria:

- Rank on insolvency before policyholder or non-subordinated creditors;
- Encumbrances or connected transactions;
- Obligation to pay distributions or coupons whilst in breach of the SCR; and
- Ability to redeem without supervisory approval.

The Group's subordinated liabilities are given in the following table:

Solvency II Own Funds classification	Coupon rate (%)	Issue date	Maturity date	Call date[1]	Issue amount	Solvency II value 2022 (£m)	Solvency II value 2021 (£m)	Transitional rules
Tier 2[2]	5.500	27/06/2014	27/06/2064	27/06/2044	£600m	**548**	801	(a)
Tier 2	5.375	27/10/2015	27/10/2045	27/10/2025	£600m	**578**	627	-
Tier 2	5.250	21/03/2017	21/03/2047	21/03/2027	$850m	**674**	674	-
Tier 2	5.550	24/04/2017	24/04/2052	24/04/2032	$500m	**375**	402	-
Tier 2	5.125	14/11/2018	14/11/2048	14/11/2028	£400m	**362**	418	-
Tier 2	3.750	26/11/2019	26/11/2049	26/11/2029	£600m	**505**	594	-
Tier 2	4.500	01/05/2020	01/11/2050	01/11/2030	£500m	**406**	479	-
Total subordinated debt						**3,448**	3,995	

1. Notes are callable every 5 years following the first call date.
2. Subject to transitional arrangements.

The Group has concluded that all subordinated liabilities are available following assessment against the criteria listed above.

Over 2022 the value of the subordinated debt decreased by £547m to £3,448m (2021: £3,995m). This was driven by the changes in the risk-free rates used for the Solvency II valuation of subordinated liabilities which are reflected within Other operating and non-operating variances in Section E.1.4.4.

The Group has performed a review of each of the debt instruments treated as group capital resources under the Solvency I regime against the required features in the Solvency II regulations and the transitional measures. The instruments have been classified under the Solvency II transitional arrangements as required.

The specific rationale for two of the instruments being subject to transitional arrangements rather than Solvency II compliant in their own right is as follows: Solvency II requires the suspension of repayment or redemption of instruments in case of non-compliance with SCR or upon insolvent issuer winding up. It also requires mandatory coupon deferral upon breach of SCR. These instruments do not contain either one or both of these features. LGAS has no subordinated liabilities.

E.1.5 RESTRICTIONS TO OWN FUNDS

A number of non-insurance regulated entities across the Group (e.g. Legal & General Investment Management (Holdings) Limited) have an additional regulatory capital requirement above the capital requirement (sectorial basis) used in the Solvency Capital Requirement (SCR) calculation. These entities' Own Funds items are eligible to meet the SCR of the regulated subsidiary but cannot be made available to cover the Solvency Capital Requirements of firms elsewhere in the Group, resulting in a restriction to be reflected in the Group Eligible Own Funds. As at 31 December 2022 this has resulted in a restriction of £100m (2021: £174m).

As at 31 December 2022 there were no restrictions on the Own Funds for any of the Matching Adjustment Portfolios (MAPs) within the Group and LGAS (2021: nil).

The Group has set aside an additional £10m in relation to the Legal & General Mastertrust arrangement and treated it as a non-available own funds item during 2022 (2021: £9m).

E.1.6 RECONCILIATION BETWEEN IFRS EQUITY AND EXCESS OF ASSETS OVER LIABILITIES

The reconciliation between IFRS equity and Solvency II excess of assets over liabilities for the Group is shown below:

(£m)	Notes	2022	2021
IFRS equity		**12,139**	10,943
Solvency II Excess of assets over liabilities		**13,891**	13,725
Difference		**1,752**	2,782
Explained by:			
Elimination of intangibles[1]		**(447)**	(395)
Conversion to aggregation under the D&A method	D	**(141)**	197
Difference in the valuation of technical provisions		**2,361**	3,925
- Valuation differences on technical provisions	D.2	5,743	8,945
- Valuation differences on reinsurance recoverables	D.1.1.3	(3,264)	(4,906)
- Valuation differences on reinsurance receivables[2]	D.1.1.5	402	411
- Valuation differences on reinsurance payables	D.3.5	-	65
- Valuation differences on insurance and intermediaries payables	D.3.4	(520)	(590)
Revaluation of subordinated debt and debts owed to credit institutions[3]	D.3	**338**	(491)
Other valuation differences[4]		**253**	226
Deferred tax impacts	D.3	**(612)**	(680)
Total		**1,752**	2,782

1. Includes £101m (2021: £94m) of deferred acquisition costs and goodwill, £386m (2021: £327m) of intangible assets less £40m (2021: £49m) of deferred income liabilities.
2. Includes insurance and intermediaries receivables.
3. Includes valuation differences of £(376)m (2021: £296m) related to subordinated debt and £38m (2021: £195m) related to debts owed to credit institutions.
4. Other valuation differences include fair value adjustments.

The reconciliation between IFRS equity and Solvency II excess of assets over liabilities for LGAS is shown below:

(£m)	Notes	2022	2021
IFRS equity		**8,413**	7,530
Solvency II Excess of assets over liabilities		**9,828**	10,016
Difference		**1,415**	2,486
Explained by:			
Elimination of intangibles[1]		**(239)**	(184)
Difference in the valuation of technical provisions		**2,144**	3,492
- Valuation differences on technical provisions	D.2	3,528	6,549
- Valuation differences on reinsurance recoverables	D.1.1.3	(1,384)	(3,057)
Other valuation differences[2]		**(13)**	7
Deferred tax impacts	D.3	**(477)**	(829)
Total		**1,415**	2,486

1. Includes £23m (2021: £21m) of deferred acquisition costs, £242m (2021: £181m) of intangible assets less £26m (2021: £18m) of deferred income liabilities.
2. Other valuation differences include fair value adjustments.

An explanation of the material movements in each of the component parts of the Solvency II excess of assets over liabilities, including a qualitative explanation for the valuation adjustments, is presented in Section D: Valuation for Solvency II purposes.

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT[6]

E.2.1 SOLVENCY CAPITAL REQUIREMENT (SCR)

The total SCR for the Group as at 31 December 2022 was £7,311m (2021: £9,376m), net of the loss-absorbing capacity of deferred taxes (as detailed in E.2.2). This was calculated using the Group's approved partial internal model. No element of the SCR is subject to supervisory assessment.

The table below provides an analysis of material changes to the SCR for the Group during the year:

(£m)	Group SCR
SCR as at 31 December 2021	**9,376**
Net surplus generation	**289**
Market movements	**(2,595)**
Other operating and non-operating variances	**241**
SCR as at 31 December 2022	**7,311**

The total SCR for LGAS as at 31 December 2022 was £4,737m (2021: £6,465m), net of the loss-absorbing capacity of deferred taxes (as detailed in E.2.2). This was calculated using the approved partial internal model. No element of the SCR is subject to supervisory assessment.

The table below provides an analysis of material changes to the SCR for LGAS during the year:

(£m)	LGAS SCR
SCR as at 31 December 2021	**6,465**
Net surplus generation	**150**
Market movements	**(1,820)**
Other Operating/ Non-Operating variances	**(58)**
SCR as at 31 December 2022	**4,737**

- Net Surplus Generation includes SCR release from the back-book and the addition from new business written during the year;
- Market Movements represents the impact of changes in investment market conditions over the period and changes to future economic assumptions; and
- Other operating and non-operating variances include the impact of experience variances, changes to valuation and capital calibration assumptions, changes to planned volumes of new business, tax rate changes, PRA approval of changes to the Internal Model and Matching Adjustment and other management actions including changes in asset mix, hedging strategies and Matching Adjustment optimisation.

The Group SCR allows for diversification across the Group, and as such is less than the sum of the standalone SCR requirements for insurance entities. In line with Solvency II regulations, there is no allowance for diversification when aggregating capital requirements from other financial sectors or firms included through the deduction and aggregation methodology.

Further information on the SCR by risk categories is provided in the QRT S.25.02 in Annex 1 of this report.

6. The Internal Model and Solvency Capital Requirement are not subject to audit.

E.2.2 LOSS-ABSORBING CAPACITY OF DEFERRED TAXES (LACoDT)

The total SCR for the Group has been adjusted, where relevant, for the loss-absorbing capacity of deferred taxes (LACoDT). At 31 December 2022 the amount of the adjustment was £1,565m (2021: £1,950m).
The total SCR for LGAS has been adjusted by £1,553m (2021: £1,922m).

LACoDT is a deferred tax benefit, reflecting the tax relief that would be available following a loss equal to the SCR. The tax relief is determined by considering tax payable on any expected future profits, plus any existing deferred tax liabilities.

LACoDT support arises from the following sources:

- Deferred tax liabilities included in the Solvency II Own Funds of LGAS, largely arising from differences between the Solvency II Own Funds and IFRS equity. Any deferred tax assets on the base balance sheet are deducted from the deferred tax liabilities, to avoid double counting;
- Carry back: the UK tax regime permits carry back of trading losses against profits made in the current and previous tax years;
- Expected future taxable profits arising from 5 years of future new business, allowing for the expected new business volumes in a post-loss environment;
- Profit on future investment income expected to arise on assets not required to back Technical Provisions or SCR; and
- Profits arising from the release of prudence in the calculation of the TPs where Solvency II regulations require a prudent approach.

E.2.3 MINIMUM CAPITAL REQUIREMENT (MCR)

The Group's MCR as at 31 December 2022 was £1,694 (2021: £2,161m) as shown in the Own Funds QRT S.23.01.22 in Annex 1 of this report.

In accordance with Solvency Directive Article 230(2), the Minimum Capital Requirement for the Group is the sum of the Minimum Capital Requirements for subsidiaries consolidated under Method 1 (accounting consolidation based method). Banner Life and William Penn are aggregated for group solvency purposes under Method 2 (deduction and aggregation) and have been excluded from the above MCR.

The MCR for LGAS is calculated in accordance with the Solvency II Directive and Delegated regulation. The total MCR for LGAS as at 31 December 2022 was £1,253m (2021: £1,616m).

The change in the amount of the MCR over the year is reflective of the decrease in the SCR.

E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT

The duration based equity risk sub module is not used in the calculation of the Group's Solvency Capital Requirement.

E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

E.4.1 INTERNAL MODEL

The Group uses a group-wide partial internal model (referred to as the Internal Model), as approved by the PRA. The Internal Model is used to calculate the capital requirements for the Group and LGAS. The following sections describe various aspects of the Internal Model.

E.4.1.1 USE OF THE INTERNAL MODEL

The Internal Model is a key tool within the Risk Management framework. It plays a central role in the measurement of risks, as the Internal Model translates identified risk exposures into risk-based capital requirements. The Internal Model models the material and quantifiable risks that are identified as part of the Group's risk identification and review process.

The Internal Model's primary calculation engine, Algorithmics (Algo), has been designed to generate output at the level at which it will be used, i.e. at both a divisional and entity level, and by risk sub-category. This is important in ensuring its use and also helps to improve understanding and decision-making.

In addition to being the Internal Model's calculation engine, Algo is also employed by the Group for operational asset-liability and liquidity management purposes.

Output from the Internal Model is used to formulate risk tolerances for the following group level risk appetite statements which are reviewed annually:

- The measure of return on risk-based capital; and
- The appropriate additional capital resources to be held over the minimum regulatory capital requirements;

Output from the Internal Model is essential for effectively monitoring risk exposures across the Group. Effective management information (MI) informs and supports the decision-making, oversight and risk assessment responsibilities of the Group's risk and capital management committees.

The Group level approach also serves as a model for the MI required for lower-level (i.e. divisional, entity and business unit) committees.

In an Internal Model context, risk and capital MI assists the Group and LGAS to monitor risk exposures in relation to appetite and limits.

E.4.1.2 SCOPE OF THE INTERNAL MODEL

We have chosen to adopt an Internal Model approach to calculate the Solvency Capital Requirement (SCR) for material insurance companies in the Group. The Internal Model covers all of the Group's material and quantifiable risk exposures, which are identified as falling into the following categories:

- Insurance;
- Credit;
- Market;
- Counterparty credit;

- Operational; and
- Diversification between risks.

The following subsidiaries are within the scope of the Group's partial internal model and are 'major business units':

Firms regulated on a solo basis

Entity	Model type	Description
Legal and General Assurance Society Limited (LGAS)	Partial Internal Model	Legal and General Assurance Society Limited (LGAS) is a UK long-term insurer providing mainly annuity and protection policies.
Legal and General Assurance (Pensions Management) Limited (PMC)	Internal Model	PMC is a UK long-term insurer. PMC provides unit-linked pension policies and segregated investment management services primarily to occupational pension scheme trustees.

Other firms included in the Group SCR

Entity	Model type	Description
Legal & General Group Plc	Partial Internal Model	The Group level insurance holding company.
Legal & General Reinsurance Company Limited (L&G Re)	Internal Model	L&G Re is a non-EEA reinsurer that started writing business during 2014, accepting annuity related and protection risks.
Banner Life Insurance Company **William Penn Life Insurance Company of New York**	Included in the Group SCR using the deduction and aggregation method based on the local statutory requirements	Banner and William Penn primarily sell individual protection policies in the US and are subsidiaries of the non-EEA holding company Legal & General America Inc.
Legal & General Reinsurance Company No.2 Limited (L&G Re 2)	Included in the Group SCR using the deduction and aggregation method based on the local statutory requirements	L&G Re 2 is a non-EEA reinsurer that primarily provides reinsurance of Canadian annuity business. Domiciled in Bermuda.
Legal & General America Reinsurance Limited (LGAR)	Included in the Group SCR using the deduction and aggregation method based on the local statutory requirements	LGAR is a non-EEA reinsurer that primarily provides reinsurance of American annuity business. Domiciled in Bermuda.
Legal & General Finance Plc	Internal Model	Legal & General Finance Plc is an ancillary firm whose principal activity is to provide funding to other Legal & General insurance entities.

In line with the regulations, Legal & General Finance Plc has been classified as a 'major business unit'. As an 'ancillary services undertaking' as defined in the Solvency II Delegated Regulation (January 2015), its activities are highly integrated with other insurance entities within the Group.

The PRA has approved the use of the Deduction and Aggregation method to include Legal & General America, Legal & General America Reinsurance Limited and Legal & General Reinsurance Company No.2 Limited in the Group Solvency Capital Requirement (SCR) until 1 January 2024.

The Group's overall (SCR) includes the following elements. The percentages shown are as at 31 December:

(%)	2022	2021
SCR for Internal Model firms (including LGAS)	**93.8**	96.3
SCR for Standard Formula firms	**0.0**	0.0
SCR for D&A Firms (Legal & General America, L&G Re 2, LGAR)	**4.2**	2.8
Capital requirement for financial firms	**2.0**	0.9
Total Group SCR	**100.0**	100.0

Our Internal Model is integrated into our risk management and governance systems. The material risks identified through the risk framework are also those covered by the Internal Model and vice versa. Actual risk exposures relative to Internal Model derived risk limits are reported and monitored.

The Group uses the alternative aggregation Method 1 defined in the Solvency II Delegated Regulations for aggregation of the Internal Model SCR. The Legal & General America, LGAR and L&G Re 2 major business units are then aggregated for Group solvency purposes under Method 2 (deduction and aggregation). Method 1 involves the simple addition of the various sources of SCR set out below, without allowing for diversification between them. Full diversification is allowed for within each of the Internal Model and Standard Formula (SF) SCRs. The sources of SCR are as follows:

- Group Internal Model SCR, with full diversification between Internal Model firms (apart from any ring-fencing restrictions);
- SF SCR for SF firms, with full diversification between SF firms (this is now de minimis);
- SCR for undertakings included via the deductions and aggregation method;
- Proxy capital requirement for each financial firm individually, without diversification between them; and
- The value of reinsurance internal to the Group is eliminated at the Group level.

The pension scheme is within the scope of the Group Internal Model SCR, allowing for some diversification within the Internal Model assessment.

E.4.1.3 METHODS USED IN THE INTERNAL MODEL

The calculation approach used generates 500,000 simulations of 'risk drivers' such as equity returns and interest rates. The simulations are constructed in such a way that each risk driver follows a predefined distribution and that the relationship between any two risk drivers follows a predefined correlation assumption. The simulations can be looked at as a sample generated from a multidimensional distribution.

The multidimensional distribution is built from the risk driver distributions, correlation assumptions and a t-copula function which represents the dependency structure between the risks.

Each scenario is fed into an asset valuation module, which is capable of revaluing the Group's assets for each of these scenarios. The output is the total asset value under each scenario. This module covers the vast majority of the relevant assets required for capital calculation purposes.

Similarly, the scenarios are fed into a liability valuation module (and for certain situations the results from the asset valuation are also fed into the liability valuation module). Due to run time constraints, the liability valuation module is a simplified model (referred to as a 'proxy model').

The results of the liability valuation and the asset valuation module are combined for each scenario to give the resulting net asset position and the change in net asset value compared to the starting position. These results cover existing business, as well as the new business expected to be written over the following 12 months.

The risk measure used for the purpose of the Internal Model is a 'value-at-risk' measure (VaR); the VaR is defined as the estimated loss for a given probability over a one-year period.

By ordering the results (i.e. changes in net assets) the empirical aggregated loss distribution can be constructed.

E.4.2 THE RISK MEASURE AND TIME PERIOD USED IN THE INTERNAL MODEL

In line with Article 101 of the Solvency II Directive the Internal Model SCR is the 1-in-200 value-at-risk (VaR) of Own Funds over a one-year period.

E.4.3 MAIN DIFFERENCES AGAINST THE STANDARD FORMULA APPROACH

As described above, the Internal Model calibration standard is the same as for the standard formula. However, the detailed calculations differ in their sophistication and the extent to which they have been tailored to the Group's own risk profile. As part of the review of the Internal Model an annual exercise is carried out to assess the Group Standard Formula result.

Standard Formula is not the Group and LGAS regulatory basis. The production of a group Standard Formula result is not carried out as part of the year end valuation cycle, and has been carried out on a proportionate basis. It is not subject to the level of rigour as the Internal Model result validation.

The most significant (pre-diversification between risks) differences are as follows:

- Standard Formula has no inflation risk capital requirement, whereas the Internal Model has a non-zero amount;
- The capital requirement arising from spread risk (net of matching premium) is significantly higher (pre-diversification) for the Standard Formula than for the Internal Model. In addition, where no external credit ratings are available, the Standard Formula treatment is more onerous than the Internal Model. Aside from this, the Internal Model calibration is significantly stronger than the Standard Formula, but there is an offsetting impact from lower than 100% correlation between the various Internal Model spread risk drivers. Also, differing treatments for asset types will influence the relative strength;
- There are stronger calibrations in the Internal Model compared to Standard Formula for longevity risk and operational risk;
- There are stronger calibrations in the Standard Formula compared to the Internal Model for lapse risk and mortality risk;
- Equity risk capital requirement is higher (pre-diversification between risks) for Standard Formula than Internal Model primarily due to different classifications of certain assets;
- Property risk capital requirement is lower (pre-diversification between risks) for Standard Formula than Internal Model primarily due to different classifications of certain assets;

- Loss absorbing capacity of deferred taxes (LACoDT) is proportionately lower for Standard Formula as the Standard Formula SCR is materially higher overall, and there are insufficient deferred tax liabilities or sources of future profits to support full LACoDT recoverability under Standard Formula;
- The Internal Model has a non-market risk capital requirement on the Group's defined benefit pension schemes, whereas Standard Formula has no requirement for this risk;
- The Internal Model uses a copula approach to aggregate the components rather than the matrix multiplication specified in the Standard Formula. This enables the Internal Model to more accurately allow for interactions between risks and non-normal risk distribution shapes and results in different diversification benefit under the Internal Model; and
- The Internal Model also allows for diversification between the business inside and outside the Matching Adjustment portfolio upon aggregation, whereas the Standard Formula does not.

E.4.4 INTERNAL MODEL DATA

In order to calculate our Solvency Capital Requirement our Internal Model is provided with data about our assets, liabilities and the risks associated with each of these. The majority of assets are modelled on an individual asset terms and conditions basis, providing readily validated valuations and granular modelling of how assets respond under different scenarios. Insurance liabilities are provided by our proven process for the calculation of best estimate liabilities; the same process provides figures for our IFRS reporting and calculation of technical provisions.

In order to assess the risks associated with our assets and liabilities a wide range of economic, market and insurance data and operational risk experience is used. Internal and external historical and experience data are used to project possible future scenarios, and external forecasts are used for example in life longevity, causes of death and epidemic risks.

Data are used to assess:

- The likelihood and scale of individual risks; and
- How these risks are correlated, i.e. the extent to which a change in one risk is likely to coincide with a change in another risk.

Our Solvency II data governance framework has been designed to instil best practice in managing data risk and in improving data quality to add robustness to model processes and outputs. The Solvency II Data Management Policy sets out the Group's requirements for managing data risk on data used to develop, populate, operate and validate the Internal Model. The data management control framework provides the conditions for business areas to ensure that all Internal Model data are recorded and that associated data risks and quality are managed effectively. The framework includes regular assessments of data quality and controls effectiveness.
The appropriateness of all internal and external data is considered and justified by the experts in each area of risk, and these justifications are independently validated.

E.5 NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

There have been no instances of non-compliance with either the MCR or SCR for any Legal & General Solvency II entity over the reporting period.

E.6 ANY OTHER INFORMATION

Dividend

On 8 March 2023 the Group declared a final dividend of £829m (2021: £790m) to be paid on 5 June 2023. The board may cancel payment of the dividend at any time prior to payment in accordance with the Articles of Association, if it considers it necessary to do so for regulatory capital purposes. The impact of this dividend payment as at 31 December 2022 would have been to reduce the regulatory solvency coverage ratio by 11% (2021: 8%).

Annex 1 – Quantitative Reporting Templates (Group QRTs)

LEGAL & GENERAL GROUP PLC – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022

Values are shown in £'000
S.02.01.02
Balance sheet

		Solvency II value
	Assets	C0010
R0010	Goodwill	-
R0020	Deferred acquisition costs	-
R0030	Intangible assets	-
R0040	Deferred tax assets	48
R0050	Pension benefit surplus	-
R0060	Property, plant & equipment held for own use	102,039
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	115,010,002
R0080	*Property (other than for own use)*	258,972
R0090	*Holdings in related undertakings, including participations*	16,418,763
R0100	*Equities*	431,065
R0110	*Equities - listed*	397,018
R0120	*Equities - unlisted*	34,046
R0130	*Bonds*	54,476,396
R0140	*Government Bonds*	6,502,231
R0150	*Corporate Bonds*	47,262,164
R0160	*Structured notes*	-
R0170	*Collateralised securities*	712,000
R0180	*Collective Investments Undertakings*	1,629,275
R0190	*Derivatives*	41,690,136
R0200	*Deposits other than cash equivalents*	105,395
R0210	*Other investments*	-
R0220	Assets held for index-linked and unit-linked contracts	283,576,230
R0230	Loans and mortgages	6,245,957
R0240	*Loans on policies*	-
R0250	*Loans and mortgages to individuals*	5,138,724
R0260	*Other loans and mortgages*	1,107,233
R0270	Reinsurance recoverables from:	1,323,532
R0280	*Non-life and health similar to non-life*	4,511
R0290	*Non-life excluding health*	4,511
R0300	*Health similar to non-life*	-
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	1,319,021
R0320	*Health similar to life*	81,393
R0330	*Life excluding health and index-linked and unit-linked*	1,237,628
R0340	*Life index-linked and unit-linked*	-
R0350	Deposits to cedants	588,350
R0360	Insurance and intermediaries receivables	44,138
R0370	Reinsurance receivables	693,447
R0380	Receivables (trade, not insurance)	6,662,803
R0390	Own shares (held directly)	-
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	-
R0410	Cash and cash equivalents	262,883
R0420	Any other assets, not elsewhere shown	-
R0500	**Total assets**	414,509,429

LEGAL & GENERAL GROUP PLC – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
S.02.01.02
Balance sheet

		Solvency II value	
	Liabilities	C0010	
R0510	Technical provisions - non-life	9,450	
R0520	*Technical provisions - non-life (excluding health)*	9,450	
R0530	*TP calculated as a whole*	-	
R0540	*Best Estimate*	9,200	Note 1
R0550	*Risk margin*	250	Note 2
R0560	*Technical provisions - health (similar to non-life)*	-	
R0570	*TP calculated as a whole*	-	
R0580	*Best Estimate*	-	
R0590	*Risk margin*	-	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	59,313,125	
R0610	*Technical provisions - health (similar to life)*	223,779	
R0620	*TP calculated as a whole*	-	
R0630	*Best Estimate*	216,748	Note 1
R0640	*Risk margin*	7,031	Note 2
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	59,089,346	
R0660	*TP calculated as a whole*	-	
R0670	*Best Estimate*	58,319,987	Note 1
R0680	*Risk margin*	769,359	Note 2
R0690	Technical provisions - index-linked and unit-linked	284,258,980	
R0700	*TP calculated as a whole*	-	
R0710	*Best Estimate*	284,136,244	Note 1
R0720	*Risk margin*	122,736	Note 2
R0730	Other technical provisions	-	
R0740	Contingent liabilities	-	
R0750	Provisions other than technical provisions	163,802	
R0760	Pension benefit obligations	620,264	
R0770	Deposits from reinsurers	-	
R0780	Deferred tax liabilities	750,685	
R0790	Derivatives	45,689,771	
R0800	Debts owed to credit institutions	707,673	
R0810	Financial liabilities other than debts owed to credit institutions	-	
R0820	Insurance & intermediaries payables	564,144	
R0830	Reinsurance payables	232,452	
R0840	Payables (trade, not insurance)	4,860,733	
R0850	Subordinated liabilities	3,447,683	
R0860	*Subordinated liabilities not in BOF*	-	
R0870	*Subordinated liabilities in BOF*	3,447,683	
R0880	Any other liabilities, not elsewhere shown	-	
R0900	**Total liabilities**	400,618,762	
R1000	**Excess of assets over liabilities**	13,890,667	

Note 1
BELs are shown net of Transitional Measure on Technical Provisions (TMTP) applied.
The total BELs above sum to £342,682m. The total unadjusted BELs of £342,964m can be seen in section D.2 of the report.

Note 2
Risk Margin is shown net of TMTP applied. The total Risk Margin above sums to £899m.
The total unadjusted Risk Margin of £2,753m can be seen in section D.2 of the report.

In total, TMTP of £2,136m was applied, and can be seen in section D.2 of the report.

LEGAL & GENERAL GROUP PLC – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
S.05.01.02
Premiums, claims and expenses by line of business

	Non-life	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Total
		Medical expense insurance	Income protection insurance	Fire and other damage to property insurance	
		C0010	C0020	C0070	C0200
	Premiums written				
R0110	*Gross - Direct Business*	-	-	-	-
R0120	*Gross - Proportional reinsurance accepted*	-	-	117,697	117,697
R0130	*Gross - Non-proportional reinsurance accepted*				
R0140	*Reinsurers' share*	-	-	111,881	11,881
R0200	*Net*	-	-	5,816	5,816
	Premiums earned				
R0210	*Gross - Direct Business*	-	-	-	-
R0220	*Gross - Proportional reinsurance accepted*	-	-	111,916	111,916
R0230	*Gross - Non-proportional reinsurance accepted*				
R0240	*Reinsurers' share*	-	-	96,041	96,041
R0300	*Net*	-	-	15,875	15,875
	Claims incurred				
R0310	*Gross - Direct Business*	-	-	-	-
R0320	*Gross - Proportional reinsurance accepted*	-	-	62,679	62,679
R0330	*Gross - Non-proportional reinsurance accepted*				
R0340	*Reinsurers' share*	-	-	53,752	53,752
R0400	*Net*	-	-	8,927	8,927
	Changes in other technical provisions				
R0410	*Gross - Direct Business*	-	-	-	-
R0420	*Gross - Proportional reinsurance accepted*	-	-	-	-
R0430	*Gross - Non-proportional reinsurance accepted*				
R0440	*Reinsurers' share*	-	-	-	-
R0500	*Net*	-	-	-	-
R0550	**Expenses incurred**	-	-	18,112	18,112
R1200	**Other expenses**				-
R1300	**Total expenses**				18,112

LEGAL & GENERAL GROUP PLC – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
S.05.01.02
Premiums, claims and expenses by line of business

	Life	Line of Business for: life insurance obligations				Life reinsurance obligations	Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0280	C0300
	Premiums written						
R1410	*Gross*	635,060	-	41,881,250	12,786,871	12,624,927	67,928,108
R1420	*Reinsurers' share*	268,559	-	-	4,784,950	1,214	5,054,723
R1500	*Net*	366,501	-	41,881,250	8,001,921	12,623,713	62,873,385
	Premiums earned						
R1510	*Gross*	635,060	-	-	12,488,949	449,282	13,573,291
R1520	*Reinsurers' share*	268,559	-	-	4,784,950	1,214	5,054,723
R1600	*Net*	366,501	-	-	7,703,999	448,068	8,518,568
	Claims incurred						
R1610	*Gross*	292,376	-	50,632,230	6,936,545	9,633,596	67,494,747
R1620	*Reinsurers' share*	189,777	-	-	3,039,412	-	3,229,189
R1700	*Net*	102,599	-	50,632,230	3,897,133	9,633,596	64,265,558
	Changes in other technical provisions						
R1710	*Gross*	(187,359)	-	(79,452,230)	(21,377,252)	199,546	(100,817,295)
R1720	*Reinsurers' share*	(42,233)	-	-	(362,729)	-	(404,962)
R1800	*Net*	(145,126)	-	(79,452,230)	(21,014,523)	199,546	(100,412,333)
R1900	**Expenses incurred**	165,253	-	322,821	923,725	9,673	1,421,472
R2500	**Other expenses**						2,647,121
R2600	**Total expenses**						4,068,593

LEGAL & GENERAL GROUP PLC – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
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
R0010	**Technical provisions**	343,581,555	2,135,595	-	-	8,847,299
R0020	**Basic own funds**	15,928,756	(1,725,646)	-	-	(7,182,300)
R0050	**Eligible own funds to meet Solvency Capital Requirement**	17,229,218	(1,725,646)	-	-	(7,182,300)
R0090	**Solvency Capital Requirement**	7,311,041	422,532	-	-	11,717,915

Note

The information disclosed in this template is as defined in Annex I of Commission Implementing Regulation (EU) 2015/2542 and is as at 31 December 2022.

Values in this table alone do not provide sufficient information to gain a fair and transparent understanding of the Group's solvency position.

Additional information on the Transition Measure on Technical Provisions and the Matching Adjustment can be found in section D.2 of the report.

LEGAL & GENERAL GROUP PLC – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
S.23.01.22
Own Funds

	Basic own funds before deduction for participations in other financial sector	**Total**	**Tier 1 unrestricted**	**Tier 1 restricted**	**Tier 2**	**Tier 3**
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	149,331	149,331	-	-	-
R0020	*Non-available called but not paid in ordinary share capital at group level*	-	-	-	-	-
R0030	Share premium account related to ordinary share capital	1,017,945	1,017,945	-	-	-
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	-	-	-	-	-
R0050	Subordinated mutual member accounts	-	-	-	-	
R0060	*Non-available subordinated mutual member accounts at group level*	-	-	-	-	-
R0070	Surplus funds	-	-	-	-	-
R0080	*Non-available surplus funds at group level*	-	-	-	-	-
R0090	Preference shares	495,080	-	495,080	-	-
R0100	*Non-available preference shares at group level*	-	-	-	-	-
R0110	Share premium account related to preference shares	-	-	-	-	-
R0120	*Non-available share premium account related to preference shares at group level*	-	-	-	-	-
R0130	Reconciliation reserve	12,218,810	12,218,810	-	-	-
R0140	Subordinated liabilities	3,447,683	-	-	3,447,683	-
R0150	*Non-available subordinated liabilities at group level*	-	-	-	-	-
R0160	An amount equal to the value of net deferred tax assets	-	-	-	-	-
R0170	*The amount equal to the value of net deferred tax assets not available at the Group level*	-	-	-	-	-
R0180	Other items approved by supervisory authority as basic own funds not specified above	-	-	-	-	-
R0190	*Non available own funds related to other own funds items approved by supervisory authority*	-	-	-	-	-
R0200	Minority interests (if not reported as part of a specific own fund item)	-	-	-	-	-
R0210	*Non-available minority interests at group level*	-	-	-	-	-
R0220	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	-				
	Deductions					
R0230	Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	370,931	370,931	-	-	-
R0240	*whereof deducted according to art 228 of the Directive 2009/138/EC*	-	-	-	-	-
R0250	Deductions for participations where there is non-availability of information (Article 229)	-	-	-	-	-
R0260	Deduction for participations included by using D&A when a combination of methods is used	1,029,162	1,029,162	-	-	-
R0270	**Total of non-available own fund items**	-	-	-	-	-
R0280	**Total deductions**	1,400,093	1,400,093	-	-	-
R0290	**Total basic own funds after deductions**	15,928,756	11,985,993	495,080	3,447,683	-

LEGAL & GENERAL GROUP PLC – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
S.23.01.22 (continued)
Own Funds

	Own funds of other financial sectors					
R0410	Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	271,300	271,300	-	-	-
R0420	Institutions for occupational retirement provision	-	-	-	-	-
R0430	Non regulated entities carrying out financial activities	-	-	-	-	-
R0440	**Total own funds of other financial sectors**	271,300	271,300			
	Own funds when using the D&A, exclusively or in combination of method 1					
R0450	Own funds aggregated when using the D&A and combination of method	1,029,162	1,029,162	-	-	-
R0460	Own funds aggregated when using the D&A and combination of method net of IGT	1,029,162	1,029,162	-	-	-
R0520	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)	15,928,756	11,985,993	495,080	3,447,683	-
R0530	Total available own funds to meet the minimum consolidated group SCR	15,928,756	11,985,993	495,080	3,447,683	-
R0560	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)	15,928,756	11,985,993	495,080	3,447,683	-
R0570	Total eligible own funds to meet the minimum consolidated group SCR (group)	12,819,822	11,985,993	495,080	338,749	-
R0590	**Consolidated Group SCR**	7,001,026				
R0610	**Minimum consolidated Group SCR**	1,693,746				
R0630	**Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)**	232%				
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	757%				
R0660	**Total eligible own funds to meet the Group SCR (including own funds from other financial sector and from the undertakings included via D&A)**	17,229,218	13,286,455	495,080	3,447,683	-
R0670	**SCR for entities included with D&A method**	310,015				
R0680	**Group SCR**	7,311,041				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	236%				

	Reconciliation reserve	
R0700	Excess of assets over liabilities	13,890,667
R0710	Own shares (held directly and indirectly)	-
R0720	Foreseeable dividends, distributions and charges	-
R0730	Other basic own fund items	1,662,356
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	-
R0750	Other non available own funds	9,500
R0760	**Reconciliation reserve**	12,218,811
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	2,335,799
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	-
R0790	**Total Expected profits included in future premiums (EPIFP)**	2,335,799

LEGAL & GENERAL GROUP - SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
S.25.02.22 - Unaudited
Solvency Capital Requirement - for groups using the standard formula and partial internal model

	Unique number of component	Component description	Calculation of the Solvency Capital Requirement	Amount modelled	
Row	C0010	C0020	C0030	C0070	
1	10300I	Interest rate risk (other than pension scheme)	559,737	559,737	
2	10400I	Equity risk (other than pension scheme)	1,153,777	1,153,777	
3	10600I	Property risk (other than pension scheme)	2,247,022	2,247,022	
4	10700I	Spread risk (other than pension scheme)	5,103,416	5,103,416	
5	10800I	Concentration risk (other than pension scheme)	-	-	
6	10900I	Currency risk (other than pension scheme)	373,099	373,099	
7	11000I	Other market risk (other than pension scheme)	933,168	933,168	
8	10300P	Interest rate risk (pension scheme)	20,882	20,882	
9	10400P	Equity risk (pension scheme)	-	-	
10	10600P	Property risk (pension scheme)	-	-	
11	10700P	Spread risk (pension scheme)	2,206	2,206	
12	10800P	Concentration risk (pension scheme)	-	-	
13	10900P	Currency risk (pension scheme)	-	-	
14	11000P	Other market risk (pension scheme)	11,859	11,859	
15	19900I	Diversification within market risk (including pension scheme)	(2,050,887)	(2,050,887)	Note 1
16	20100I	Type 1 counterparty risk	299,769	299,769	
17	20200I	Type 2 counterparty risk	-	-	
18	29900I	Diversification within counterparty risk	-	-	Note 1
19	30100I	Mortality risk	603,527	603,527	
20	30200I	Longevity risk (other than pension scheme)	3,258,639	3,258,639	
21	30200P	Longevity risk (pension scheme)	131,517	131,517	
22	30400I	Mass lapse	523,076	523,076	
23	30500I	Other lapse risk	388,963	388,963	
24	30600I	Expense risk	516,885	516,885	
25	30800I	Life catastrophe risk	1,154,053	1,154,053	
26	30900I	Other life underwriting risk	157,745	157,745	
27	39900I	Diversification within life underwriting risk	(3,064,576)	(3,064,576)	Note 1
28	41600I	Other health underwriting risk	86,023	86,023	
29	50100I	Premium risk	-	-	
30	50200I	Reserve risk	-	-	
31	50150I	Premium risk if premium risk covers premium provision and business planned to be written in coming 12 months combined	15,859	15,859	
32	50210I	Reserving risk if claims provision and premium provision combined	3,322	3,322	
33	50300I	Non-life catastrophe risk	17,947	17,947	
34	59900I	Diversification within non-life underwriting risk	(11,535)	(11,535)	Note 1
35	70100I	Operational risk	895,002	895,002	
36	80100I	Other risks	148,446	148,446	
37	80200I	Loss-absorbing capacity of technical provisions	-	-	
38	80300I	Loss-absorbing capacity of deferred tax	(1,564,647)	(1,564,647)	
39	80400I	Other adjustments	(724,673)	(724,673)	

LEGAL & GENERAL GROUP - SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
S.25.02.22 – Unaudited (continued)
Solvency Capital Requirement - for groups using the standard formula and partial internal model

	Calculation of Solvency Capital Requirement	C0100	
R0110	Total undiversified components	11,189,618	Sum of components above
R0060	Diversification	(4,183,593)	Note 2
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	-	
R0200	**Solvency capital requirement excluding capital add-on**	7,001,026	
R0210	Capital add-ons already set	-	
R0220	**Solvency capital requirement for undertakings under consolidated method**	7,001,026	Total plus diversification (R0110 + R0060)
	Other information on SCR - *For information only, embedded in components above*		
R0300	Amount/estimate of the overall loss-absorbing capacity of technical provisions	-	
R0310	Amount/estimate of the overall loss-absorbing capacity of deferred taxes	(1,564,647)	
R0400	Capital requirement for duration-based equity risk sub-module	-	
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	2,738,134	
R0420	Total amount of Notional Solvency Capital Requirement for ring fenced funds	-	
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	5,253,210	
R0440	Diversification effects due to RFF nSCR aggregation for article 304	-	
R0470	Minimum consolidated group solvency capital requirement	1,693,746	
	Information on other entities - *For information only, embedded in components above*		
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	148,446	
R0510	*Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies*	148,446	
R0520	*Institutions for occupational retirement provisions*	-	
R0530	*Capital requirement for non- regulated entities carrying out financial activities*	-	
R0540	Capital requirement for non-controlled participation requirements	-	
R0550	Capital requirement for residual undertakings	-	
	Overall SCR		
R0560	SCR for undertakings included via D and A	310,015	
R0570	**Solvency capital requirement**	7,311,041	

Note 1
These items represent diversification within individual risk categories. The total diversification within categories is £5,127m.

Note 2
This item represents diversification between risk categories. The total diversification within and between risk categories is £9,316m.

LEGAL & GENERAL GROUP - SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
S.32.01.22
Undertakings in the scope of the group

									Criteria of influence						Inclusion in the scope of		Group solvency calculation
	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
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
1	BM	213800JH9QQVWHLO99821BM9990	Specific code	First British Bermuda Reinsurance Company III Limited	Reinsurance undertaking	Limited by shares	Non-mutual	Bermuda Monetary Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 2: Local rules
2	BM	213800JH9QQVWHLO69821GB1096	Specific code	Legal & General America Reinsurance Limited	Reinsurance undertaking	Limited by shares	Non-mutual	Bermuda Monetary Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 2: Local rules
3	BM	213800QVB8WVDL51HK08	LEI	Legal & General Reinsurance Company Limited	Reinsurance undertaking	Limited by shares	Non-mutual	Bermuda Monetary Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
4	BM	5493009PZSGI92XBPF31	LEI	Legal & General Reinsurance Company No.2 Limited	Reinsurance undertaking	Limited by shares	Non-mutual	Bermuda Monetary Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 2: Local rules
5	BM	213800JH9QQVWHLO99821BM00030	Specific code	Legal & General Resources Bermuda Limited	Reinsurance undertaking	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
6	CN	213800JH9QQVWHLO99821GB09360	Specific code	Legal & General Business Consulting (Shanghai) Limited	Other	Private company	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
7	GB	213800JH9QQVWHLO99821GB00940	Specific code	245 Hammersmith Road (General Partner) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
8	GB	213800JH9QQVWHLO99821GB07140	Specific code	245 Hammersmith Road Nominee 1 Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
9	GB	213800JH9QQVWHLO99821GB07150	Specific code	245 Hammersmith Road Nominee 2 Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
10	GB	213800JH9QQVWHLO99821GB07160	Specific code	245 HR GP LLP	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
11	GB	213800JH9QQVWHLO99821GB10930	Specific code	Accelerated Digital Ventures Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
12	GB	213800JH9QQVWHLO99821GB10940	Specific code	ADV (GP) LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
13	GB	213800JH9QQVWHLO99821GB10950	Specific code	ADV ECF LP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
14	GB	213800JH9QQVWHLO99821GB29960	Specific code	ADV Management Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
15	GB	213800JH9QQVWHLO99821GB99970	Specific code	ADV Nominees Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
16	GB	213800G8IDPE56ETLV96	LEI	Antham 1 Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
17	GB	213800JH9QQVWHLO69821GB1097	Specific code	Atelier Management Company Limited	other	Limited by shares	Non-mutual		0.00%	0.00%	0.00%		Dominant	0.00%	Included in the scope		Method 1: Adjusted equity method
18	GB	213800JH9QQVWHLO99821GB06220	Specific code	Banner (Spare) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
19	GB	213800JH9QQVWHLO99821GB05230	Specific code	Banner Construction Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
20	GB	213800JH9QQVWHLO99821GB05240	Specific code	Banner Developments Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
21	GB	213800JH9QQVWHLO99821GB05250	Specific code	Banner Freehold Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
22	GB	213800JH9QQVWHLO99821GB05260	Specific code	Banner Homes Bentley Priory Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
23	GB	213800JH9QQVWHLO99821GB05270	Specific code	Banner Homes Central Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
24	GB	213800JH9QQVWHLO99821GB05280	Specific code	Banner Homes Group Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
25	GB	213800JH9QQVWHLO99821GB05290	Specific code	Banner Homes Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
26	GB	213800JH9QQVWHLO99821GB05300	Specific code	Banner Homes Midlands Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
27	GB	213800JH9QQVWHLO99821GB05310	Specific code	Banner Homes Southern Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
28	GB	213800JH9QQVWHLO99821GB05320	Specific code	Banner Homes Ventures Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
29	GB	213800JH9QQVWHLO99821GB05330	Specific code	Banner Management Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
30	GB	213800JH9QQVWHLO99821GB05340	Specific code	Begbroke Oxford Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
31	GB	213800JH9QQVWHLO99821GB07170	Specific code	BQN Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
32	GB	213800JH9QQVWHLO69821GB1098	Specific code	BTR Core Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
33	GB	213800JH9QQVWHLO69821GB1099	Specific code	BTR Residential Development Company Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
34	GB	213800JH9QQVWHLO99821GB05350	Specific code	Bucklers Park Estate Management Company Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
35	GB	213800JH9QQVWHLO69821GB1100	Specific code	C1 Plot Management Company Limited	Other	Limited by shares	Non-mutual		33.30%	33.30%	33.30%		Dominant	33.30%	Included in the scope		Method 1: Adjusted equity method
36	GB	213800JH9QQVWHLO99821GB05385	Specific code	CALA (ESOP) Trustees Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
37	GB	213800JH9QQVWHLO99821GB06380	Specific code	CALA 1 Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
38	GB	213800JH9QQVWHLO99821GB05390	Specific code	CALA Group (Holdings) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
39	GB	213800JH9QQVWHLO99821GB05420	Specific code	CALA Homes (Chiltern) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
40	GB	213800JH9QQVWHLO99821GB05430	Specific code	CALA Homes (Midlands) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
41	GB	213800JH9QQVWHLO99821GB05450	Specific code	CALA Homes (North Home Counties) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
42	GB	213800JH9QQVWHLO99821GB05470	Specific code	CALA Homes (South Home Counties) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
43	GB	213800JH9QQVWHLO99821GB05485	Specific code	CALA Homes (Southern) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
44	GB	213800JH9QQVWHLO99821GB05490	Specific code	CALA Homes (Thames) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
45	GB	213800JH9QQVWHLO99821GB05515	Specific code	CALA Homes (Yorkshire) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
46	GB	213800JH9QQVWHLO99821GB05570	Specific code	CALA Properties Banbury Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
47	GB	213800JH9QQVWHLO99821GB07180	Specific code	Cardiff Interchange Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
48	GB	213800JH9QQVWHLO99821GB07190	Specific code	Cardiff Interchange ManCo Limited	Other	Limited by shares	Non-mutual		25.00%	25.00%	25.00%		Dominant	25.00%	Included in the scope		Method 1: Adjusted equity method
49	GB	213800JH9QQVWHLO99821GB05600	Specific code	Care Secured Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
50	GB	213800JH9QQVWHLO99821GB05380	Specific code	City & Urban Developments Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method

LEGAL & GENERAL GROUP - SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
S.32.01.22 – (continued)
Undertakings in the scope of the group

									Criteria of influence						Inclusion in the scope of		Group solvency calculation
	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
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
51	GB	213800JH9QQVHLO69821GB1101	Specific code	Court Place Gardens Holdings LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
52	GB	213800JH9QQVHLO99821GB06470	Specific code	Court Place Gardens Oxford Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
53	GB	213800JH9QQVHLO99821GB06480	Specific code	Cross Trees Park (Shrivenham) Management Company Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
54	GB	213800JH9QQVHLO69821GB1102	Specific code	Euro Liquidity Fund	Other	Limited by shares	Non-mutual		47.10%	47.10%	47.10%		Dominant	47.10%	Included in the scope		Method 1: Adjusted equity method
55	GB	213800JH9QQVHLO99821GB07200	Specific code	Finchwood Park Management Company Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
56	GB	213800JH9QQVHLO99821GB07210	Specific code	Finovation UK Limited	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
57	GB	213800JH9QQVHLO99821GB09411	Specific code	Haut Investments 2 Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
58	GB	213800JH9QQVHLO99821GB07000	Specific code	Haut Investments Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
59	GB	213800JH9QQVHLO69821GB1103	Specific code	Hockley Mills UK BTR Limited Partnership	Other	Limited by shares	Non-mutual		0.00%	0.00%	0.00%		Dominant	0.00%	Included in the scope		Method 1: Adjusted equity method
60	GB	213800JH9QQVHLO99821GB11480	Specific code	Inspired Villages Group Limited	Other	Limited by shares	Non-mutual		46.50%	46.50%	46.50%		Dominant	46.50%	Included in the scope		Method 1: Adjusted equity method
61	GB	213800JH9QQVHLO99821GB11490	Specific code	Interchange Central Square (General Partner) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
62	GB	213800JH9QQVHLO99821GB11500	Specific code	Interchange Central Square Limited Partnership	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
63	GB	213800JH9QQVHLO99821GB97450	Specific code	Investment Discounts On Line Limited	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual	Financial Conduct Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
64	GB	213800JH9QQVHLO99821GB10980	Specific code	IPIF Trade General Partner Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
65	GB	213800JH9QQVHLO99821GB07230	Specific code	IPIF Trade Nominee Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
66	GB	213800JH9QQVHLO69821GB1104	Specific code	IVG Managers Limited	Other	Limited by shares	Non-mutual		46.50%	46.50%	46.50%		Dominant	46.50%	Included in the scope		Method 1: Adjusted equity method
67	GB	213800JH9QQVHLO69821GB1105	Specific code	IVG Millbrook LLP	Other	Limited by shares	Non-mutual		46.50%	46.50%	46.50%		Dominant	46.50%	Included in the scope		Method 1: Adjusted equity method
68	GB	213800JH9QQVHLO69821GB1106	Specific code	IXDS Limited	Other	Limited by shares	Non-mutual		70.00%	70.00%	70.00%		Dominant	70.00%	Included in the scope		Method 1: Adjusted equity method
69	GB	213800JH9QQVHLO99821GB97460	Specific code	Jimcourt Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
70	GB	213800JH9QQVHLO99821GB09370	Specific code	L&G Bristol Temple Island Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
71	GB	213800JH9QQVHLO99821GB10700	Specific code	L&G Cash Trust	Other	Limited by shares	Non-mutual		52.60%	52.60%	52.60%		Dominant	52.60%	Included in the scope		Method 1: Adjusted equity method
72	GB	2138009M2ZQVRDKG7O42	LEI	L&G Future World ESG Asia Pacific Index Fund	Other	Limited by shares	Non-mutual		69.80%	69.80%	69.80%		Dominant	69.80%	Included in the scope		Method 1: Adjusted equity method
73	GB	213800IBCWQH113JY238	LEI	L&G Future World ESG Emerging Markets Index Fund	Other	Limited by shares	Non-mutual		56.40%	56.40%	56.40%		Dominant	56.40%	Included in the scope		Method 1: Adjusted equity method
74	GB	2138002Q3F7P71YDXF09	LEI	L&G Future World ESG Europe ex UK Index Fund	Other	Limited by shares	Non-mutual		80.00%	80.00%	80.00%		Dominant	80.00%	Included in the scope		Method 1: Adjusted equity method
75	GB	213800WD81CU4I89RA37	LEI	L&G Future World ESG Japan Index Fund	Other	Limited by shares	Non-mutual		71.60%	71.60%	71.60%		Dominant	71.60%	Included in the scope		Method 1: Adjusted equity method
76	GB	213800HXSZMDRHON4K72	LEI	L&G Future World ESG Multi-Index 6 Fund	Other	Limited by shares	Non-mutual		42.50%	42.50%	42.50%		Dominant	42.50%	Included in the scope		Method 1: Adjusted equity method
77	GB	2138002Y2661Q9E43503	LEI	L&G Future World ESG Multi-Index 7 Fund	Other	Limited by shares	Non-mutual		56.20%	56.20%	56.20%		Dominant	56.20%	Included in the scope		Method 1: Adjusted equity method
78	GB	213800FXJJPSB9YY1538	LEI	L&G Future World ESG North America Index Fund	Other	Limited by shares	Non-mutual		94.00%	94.00%	94.00%		Dominant	94.00%	Included in the scope		Method 1: Adjusted equity method
79	GB	213800NNWZOLZNX2NU79	LEI	L&G Future World ESG UK Index Fund	Other	Limited by shares	Non-mutual		51.60%	51.60%	51.60%		Dominant	51.60%	Included in the scope		Method 1: Adjusted equity method
80	GB	213800R36KUIPTVPN290	LEI	L&G Future World Sustainable Global Equity Focus	Other	Limited by shares	Non-mutual		99.90%	99.90%	99.90%		Dominant	99.90%	Included in the scope		Method 1: Adjusted equity method
81	GB	21380017N1VVS6LC7V69	LEI	L&G Future World Sustainable Opportunities	Other	Limited by shares	Non-mutual		88.20%	88.20%	88.20%		Dominant	88.20%	Included in the scope		Method 1: Adjusted equity method
82	GB	213800KNX3DPH7A7MH30	LEI	L&G Global Developed Four Factor Scientific Beta Index Fund	Other	Limited by shares	Non-mutual		31.40%	31.40%	31.40%		Significant	31.40%	Included in the scope		Method 1: Adjusted equity method
83	GB	213800JH9QQVHLO69821GB1107	Specific code	L&G Homes Modular JV Holdco Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
84	GB	213800JH9QQVHLO99821GB10400	Specific code	L&G Multi-Asset Target Return Fund	Other	Limited by shares	Non-mutual		41.50%	41.50%	41.50%		Significant	41.50%	Included in the scope		Method 1: Adjusted equity method
85	GB	213800VT2FV8TTBG4574	LEI	Legal & General (Portfolio Management Services) Limited	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual	Financial Conduct Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
86	GB	213800JH9QQVHLO99821GB05060	Specific code	Legal & General (Portfolio Management Services) Nominees Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
87	GB	213800JH9QQVHLO69821GB1108	Specific code	Legal & General (Residential) Holdco Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
88	GB	213800JH9QQVHLO99821GB07240	Specific code	Legal & General (Strategic Land Harpenden) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
89	GB	213800JH9QQVHLO99821GB09120	Specific code	Legal & General (Strategic Land North Horsham) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
90	GB	213800JH9QQVHLO99821GB09130	Specific code	Legal & General (Strategic Land) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
91	GB	549300AJXEFOY444EO24	LEI	Legal & General (Unit Trust Managers) Limited	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual	Financial Conduct Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
92	GB	213800JH9QQVHLO99821GB05050	Specific code	Legal & General (Unit Trust Managers) Nominees Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
93	GB	213800JH9QQVHLO99821GB05110	Specific code	Legal & General Affordable Homes (AR) LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
94	GB	213800JH9QQVHLO99821GB05100	Specific code	Legal & General Affordable Homes (Capital) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
95	GB	213800JH9QQVHLO99821GB05080	Specific code	Legal & General Affordable Homes (Development 2) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
96	GB	213800JH9QQVHLO99821GB05090	Specific code	Legal & General Affordable Homes (Development 3) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
97	GB	213800JH9QQVHLO99821GB37150	Specific code	Legal & General Affordable Homes (Development) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
98	GB	213800JH9QQVHLO99821GB37160	Specific code	Legal & General Affordable Homes (Operations) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
99	GB	213800JH9QQVHLO99821GB37180	Specific code	Legal & General Affordable Homes (SO) LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
100	GB	213800JH9QQVHLO99821GB37170	Specific code	Legal & General Affordable Homes Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method

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									Criteria of influence						Inclusion in the scope of		Group solvency calculation
	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
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
101	GB	213800JH9QQWHLO69821GB1109	Specific code	Legal & General BTR Investment Nominee Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
102	GB	213800JH9QQWHLO99821GB05630	Specific code	Legal & General Capital Investments Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
103	GB	213800JH9QQWHLO99821GB05650	Specific code	Legal & General Co Sec Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
104	GB	213800JH9QQWHLO99821GB09110	Specific code	Legal & General Development Assets Holdings Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
105	GB	213800JH9QQWHLO99821GB09380	Specific code	Legal & General Digital Solutions Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
106	GB	213800JH9QQWHLO99821GB11000	Specific code	Legal & General Employee Benefits Administration Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
107	GB	213800JH9QQWHLO99821GB05700	Specific code	Legal & General Estate Agencies Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
108	GB	213800JH9QQWHLO69821GB1110	Specific code	Legal & General Euro Mortgage No.1 SPV Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
109	GB	213800AJC8I72ZCD2E71	LEI	Legal & General Finance PLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
110	GB	213800JH9QQWHLO99821GB07260	Specific code	Legal & General Financial Advice Limited	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
111	GB	213800KFT8IYVAP9KS02	LEI	Legal & General FX Structuring (SPV) Limited	Special purpose vehicle other than special purpose vehicle authorised in accordance with Art. 211 of Directive 2009/138/EC	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
112	GB	213800JH9QQWHLO99821GB10560	Specific code	Legal & General GP LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
113	GB	213800JH9QQWHLO99821GB05070	Specific code	Legal & General Holdings No.2 Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
114	GB	213800JH9QQWHLO99821GB11010	Specific code	Legal & General Home Finance Administration Services Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
115	GB	213800JH9QQWHLO99821GB09020	Specific code	Legal & General Home Finance Holding Company Limited	Mixed financial holding company as defined in Article 212 (1)(h) of Directive 2009/138/EC	Limited by shares	Non-mutual	Financial Conduct Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
116	GB	213800JH9QQWHLO99821GB09030	Specific code	Legal & General Home Finance Limited	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual	Financial Conduct Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
117	GB	213800JH9QQWHLO99821GB09230	Specific code	Legal & General Homes (Services Co) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
118	GB	213800JH9QQWHLO99821GB11040	Specific code	Legal & General Homes Communities (Arborfield) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
119	GB	213800JH9QQWHLO99821GB11050	Specific code	Legal & General Homes Communities (Crowthorne) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
120	GB	213800JH9QQWHLO99821GB13280	Specific code	Legal & General Homes Communities (Didcot) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
121	GB	213800JH9QQWHLO99821GB11060	Specific code	Legal & General Homes Communities (Shrivenham) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
122	GB	213800JH9QQWHLO99821GB11070	Specific code	Legal & General Homes Communities Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
123	GB	213800JH9QQWHLO99821GB09220	Specific code	Legal & General Homes Holdings Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
124	GB	213800JH9QQWHLO69821GB1111	Specific code	Legal & General Homes Modular JV Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
125	GB	213800JH9QQWHLO99821GB09240	Specific code	Legal & General Homes Modular Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
126	GB	213800JH9QQWHLO99821GB05770	Specific code	Legal & General Insurance Holdings Limited	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
127	GB	213800JH9QQWHLO99821GB05780	Specific code	Legal & General Insurance Holdings No. 2 Limited	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
128	GB	213800JH9QQWHLO99821GB05010	Specific code	Legal & General Investment Management (Holdings) Limited	Mixed financial holding company as defined in Article 212 (1)(h) of Directive 2009/138/EC	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
129	GB	213800JH9QQWHLO99821GB10900	Specific code	Legal & General Investment Management Funds ICVC	Other	Limited by shares	Non-mutual	Financial Conduct Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
130	GB	2138005NNERSR7ODIC73	LEI	Legal & General Investment Management Limited	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual	Financial Conduct Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
131	GB	213800JH9QQWHLO99821GB07280	Specific code	Legal & General Later Living Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
132	GB	213800JH9QQWHLO99821GB05820	Specific code	Legal & General Leisure Fund Trustee Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
133	GB	213800JH9QQWHLO99821GB09010	Specific code	Legal & General LTM Structuring (SPV) Limited	Special purpose vehicle other than special purpose vehicle authorised in accordance with Art. 211 of Directive 2009/138/EC	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
134	GB	213800JH9QQWHLO99821GB05840	Specific code	Legal & General Middle East Limited	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method

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									Criteria of influence						Inclusion in the scope of		Group solvency calculation
	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
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
135	GB	213800JH9QQVHLO99821GB05860	Specific code	Legal & General Overseas Operations Limited	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
136	GB	213800JH9QQVHLO99821GB05120	Specific code	Legal & General Partnership Holdings Limited	Mixed financial holding company as defined in Article 212 (1)(h) of Directive 2009/138/EC	Limited by shares	Non-mutual	Financial Conduct Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
137	GB	213800JH9QQVHLO99821GB00792	Specific code	Legal & General Partnership Services Limited	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual	Financial Conduct Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
138	GB	213800JH9QQVHLO99821GB05870	Specific code	Legal & General Pension Fund Trustee Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
139	GB	213800JH9QQVHLO99821GB05880	Specific code	Legal & General Pension Scheme Trustee Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
140	GB	213800AJ4H1CUB5QNX65	LEI	Legal & General Pensions Limited	Special purpose vehicle other than special purpose vehicle authorised in accordance with Art. 211 of Directive 2009/138/EC	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
141	GB	213800JH9QQVHLO99821GB05890	Specific code	Legal & General Property Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
142	GB	213800JH9QQVHLO99821GB05900	Specific code	Legal & General Property Partners (Industrial Fund) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
143	GB	213800JH9QQVHLO99821GB05910	Specific code	Legal & General Property Partners (Industrial) Nominees Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
144	GB	213800JH9QQVHLO99821GB05920	Specific code	Legal & General Property Partners (IPIF GP) LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
145	GB	213800JH9QQVHLO99821GB10590	Specific code	Legal & General Property Partners (Leisure GP) LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
146	GB	213800JH9QQVHLO99821GB05940	Specific code	Legal & General Property Partners (Leisure) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
147	GB	213800JH9QQVHLO99821GB05950	Specific code	Legal & General Property Partners (Life Fund) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
148	GB	213800JH9QQVHLO99821GB47041	Specific code	Legal & General Property Partners (Life Fund) Nominee Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
149	GB	213800JH9QQVHLO99821GB05980	Specific code	Legal & General Property Partners (UK PIF) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
150	GB	213800JH9QQVHLO99821GB05990	Specific code	Legal & General Property Partners (UKPIF Geared Two) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
151	GB	213800JH9QQVHLO99821GB05970	Specific code	Legal & General Property Partners (UK PIF Geared) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
152	GB	213800JH9QQVHLO99821GB06000	Specific code	Legal & General Property Partners (UKPIF Two) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
153	GB	213800JH9QQVHLO99821GB05130	Specific code	Legal & General Re Holdings Limited	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
154	GB	213800JH9QQVHLO99821GB00000	Specific code	Legal & General Residential (BTR) 1 LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
155	GB	213800JH9QQVHLO99821GB00010	Specific code	Legal & General Residential (BTR) 2 LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
156	GB	213800JH9QQVHLO99821GB06010	Specific code	Legal & General Resources Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
157	GB	21380081MP6MEQJET187	LEI	Legal & General Retail Investments (Holdings) Limited	Mixed financial holding company as defined in Article 212 (1)(h) of Directive 2009/138/EC	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
158	GB	213800JH9QQVHLO69821GB1112	Specific code	Legal & General Science and Tech (Holdings) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
159	GB	213800JH9QQVHLO99821GB11080	Specific code	Legal & General Senior Living Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
160	GB	213800JH9QQVHLO99821GB96110	Specific code	Legal & General Suburban BTR (Development 2) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
161	GB	213800JH9QQVHLO99821GB96120	Specific code	Legal & General Suburban BTR (Development) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
162	GB	213800JH9QQVHLO99821GB96130	Specific code	Legal & General Suburban BTR (Operations) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
163	GB	213800JH9QQVHLO99821GB96140	Specific code	Legal & General Suburban BTR (Property) LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
164	GB	213800JH9QQVHLO99821GB06050	Specific code	Legal & General Surveying Services Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
165	GB	213800JH9QQVHLO99821GB06060	Specific code	Legal & General Trustees Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
166	GB	213800JH9QQVHLO99821GB06210	Specific code	Legal & General UK BTR GP Five LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
167	GB	213800JH9QQVHLO99821GB06070	Specific code	Legal & General UK BTR GP Four LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
168	GB	213800JH9QQVHLO69821GB1113	Specific code	Legal & General UK BTR GP LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
169	GB	213800JH9QQVHLO99821GB06080	Specific code	Legal & General UK BTR GP Six LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
170	GB	213800JH9QQVHLO99821GB06090	Specific code	Legal & General UK BTR GP Three LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
171	GB	213800JH9QQVHLO99821GB06110	Specific code	Legal & General UK BTR Investment GP LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
172	GB	259400LMPYV5I19QGM11	LEI	Legal & General UK BTR Investment LP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
173	GB	213800JH9QQVHLO69821GB1114	Specific code	Legal & General UK BTR Investment Nominee Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
174	GB	213800JH9QQVHLO69821GB1115	Specific code	Legal & General UK Solar Investments (Holdings) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
175	GB	213800JH9QQVHLO99821GB061120	Specific code	Legal & General UKPIF Two GP LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method

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									Criteria of influence						Inclusion in the scope of		Group solvency calculation
	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
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
176	GB	213800FCHCNERLM1G641	LEI	Legal and General Assurance (Pensions Management) Limited	Life insurance undertaking	Limited by shares	Non-mutual	Prudential Regulation Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
177	GB	213800LKFXEMM8VLMA04	LEI	Legal and General Assurance Society Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
178	GB	213800JH9QQWHLO69821GB1116	Specific code	Legal and General Capital IM Company Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
179	GB	213800JH9QQWHLO69821GB1117	Specific code	LGC Overseas Holdco Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
180	GB	213800JH9QQWHLO69821GB1118	Specific code	LGC TEP UK Holdco Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
181	GB	213800JH9QQWHLO69821GB1119	Specific code	LGCP Nominee 1 Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
182	GB	213800JH9QQWHLO99821GB05030	Specific code	LGIM Commercial Lending Limited	Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
183	GB	213800HR77K2NMOFU194	LEI	LGIM International Limited	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual	Financial Conduct Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
184	GB	213800JH9QQWHLO69821GB1120	Specific code	LGIM OEIC Corporate Bond Fund	Other	Limited by shares	Non-mutual		33.80%	33.80%	33.80%		Significant	33.80%	Included in the scope		Method 1: Adjusted equity method
185	GB	213800JK8U46713L3454	LEI	LGIM Real Assets (Operator) Limited	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual	Financial Conduct Authority	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
186	GB	213800JH9QQWHLO99821GB11120	Specific code	LGIM Real Assets Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
187	GB	213800JH9QQWHLO99821GB06150	Specific code	LGP Newco Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
188	GB	213800JH9QQWHLO99821GB06160	Specific code	LGPL No 2 Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
189	GB	213800JH9QQWHLO99821GB06170	Specific code	Life and Mind Building Oxford Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
190	GB	213800JH9QQWHLO99021GB07350	Specific code	Maltby Street Properties Limited	Other	Limited by shares	Non-mutual		11.10%	11.10%	11.10%		Dominant	11.10%	Included in the scope		Method 1: Adjusted equity method
191	GB	213800JH9QQWHLO69821GB1121	Specific code	Millbay Estate management Company Limited	Other	Limited by shares	Non-mutual		0.00%	0.00%	0.00%		Significant	0.00%	Included in the scope		Method 1: Adjusted equity method
192	GB	213800JH9QQWHLO69821GB1122	Specific code	Novella Building Management Company Limited	Other	Limited by shares	Non-mutual		0.00%	0.00%	0.00%		Significant	0.00%	Included in the scope		Method 1: Adjusted equity method
193	GB	213800JH9QQWHLO99821GB97452	Specific code	NSC Building A Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
194	GB	213800JH9QQWHLO99821GB97453	Specific code	NSC Building B Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
195	GB	213800JH9QQWHLO69821GB1123	Specific code	Portholme Residents Management Company Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
196	GB	213800JH9QQWHLO99821GB09390	Specific code	Rowley Lane Borehamwood Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
197	GB	213800JH9QQWHLO99821GB06350	Specific code	Sapphire Campus Management Company Limited	Other	Limited by shares	Non-mutual		9.50%	9.50%	9.50%		Significant	9.50%	Included in the scope		Method 1: Adjusted equity method
198	GB	213800JH9QQWHLO99821GB11180	Specific code	Senior Living Medici Holdco Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
199	GB	213800JH9QQWHLO99821GB11190	Specific code	Senior Living Medici Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
200	GB	213800JH9QQWHLO99821GB11205	Specific code	Senior Living Urban (Bath) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
201	GB	213800JH9QQWHLO99821GB07360	Specific code	Senior Living Urban (Epsom) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
202	GB	213800JH9QQWHLO99821GB09430	Specific code	Senior Living Urban (Uxbridge) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
203	GB	213800JH9QQWHLO99821GB07370	Specific code	Senior Living Urban (Walton) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
204	GB	213800JH9QQWHLO69821GB1124	Specific code	SMART Pension Limited	Other	Limited by shares	Non-mutual		7.50%	7.50%	7.50%		Significant	7.50%	Included in the scope		Method 1: Adjusted equity method
205	GB	213800JH9QQWHLO99821GB07380	Specific code	Stratford City Offices (No. 2) General Partner Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
206	GB	213800JH9QQWHLO99821GB07390	Specific code	Stratford City Offices (No. 2) Limited Partnership	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
207	GB	213800JH9QQWHLO69821GB1125	Specific code	Stratford City Offices Jersey Unit Trust (No. 2)	Other	Limited by shares	Non-mutual		99.80%	99.80%	99.80%		Dominant	99.80%	Included in the scope		Method 1: Adjusted equity method
208	GB	213800JH9QQWHLO99821GB09440	Specific code	Sunderland Vaux 1 Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
209	GB	213800JH9QQWHLO69821GB1126	Specific code	Swindon (The Hub) Management Company Limited	Other	Limited by shares	Non-mutual		82.80%	82.80%	82.80%		Dominant	82.80%	Included in the scope		Method 1: Adjusted equity method
210	GB	213800JH9QQWHLO99821GB20083	Specific code	The Advantage Collection Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
211	GB	213800JH9QQWHLO99821GB20084	Specific code	Thorpe Park 3175 Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
212	GB	213800JH9QQWHLO99821GB20085	Specific code	Thorpe Park A2 Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
213	GB	213800JH9QQWHLO99821GB11230	Specific code	Thorpe Park Developments Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
214	GB	213800JH9QQWHLO99821GB09140	Specific code	Thorpe Park Holdings Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
215	GB	213800JH9QQWHLO69821GB1127	Specific code	Tower Works UK BTR Limited Partnership	Other	Limited by shares	Non-mutual		0.00%	0.00%	0.00%		Significant	0.00%	Included in the scope		Method 1: Adjusted equity method
216	GB	213800JH9QQWHLO99821GB20086	Specific code	TP Property Services Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
217	GB	213800JH9QQWHLO69821GB1128	Specific code	Valette Square Management Company Limited	Other	Limited by shares	Non-mutual		33.00%	33.00%	33.00%		Significant	33.00%	Included in the scope		Method 1: Adjusted equity method
218	GB	213800JH9QQWHLO99821GB20087	Specific code	Venturemarket.org Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
219	GB	213800JH9QQWHLO99821GB09450	Specific code	West Bar Square Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
220	HK	213800JH9QQWHLO99821HK02910	Specific code	Legal & General Investment Management Asia Limited	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual	Securities & Futures Commission	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules

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									Criteria of influence						Inclusion in the scope of		Group solvency calculation
	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
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
221	IE	213800JH9QQWHLO99821GB11750	Specific code	Finovation Limited	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
222	IE	213800JH9QQWHLO69821GB1129	Specific code	L&G Asia Pacific ex Japan Equity Index Fund	Other	Limited by shares	Non-mutual		29.20%	29.20%	29.20%		Significant	29.20%	Included in the scope		Method 1: Adjusted equity method
223	IE	213800W1S1FQANKD9935	LEI	L&G Frontier Markets Equity Fund	Other	Limited by shares	Non-mutual		51.10%	51.10%	51.10%		Dominant	51.10%	Included in the scope		Method 1: Adjusted equity method
224	IE	2138006Y3NDDDWM7P573	LEI	L&G Future World Global Credit Fund - UK	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
225	IE	213800JH9QQWHLO69821GB1130	Specific code	L&G LFST Alternative Assets Fund	Other	Limited by shares	Non-mutual		47.40%	47.40%	47.40%		Significant	47.40%	Included in the scope		Method 1: Adjusted equity method
226	IE	213800JH9QQWHLO99821IE23390	Specific code	L&G Multi Asset Core 20 Fund	Other	Limited by shares	Non-mutual		88.10%	88.10%	88.10%		Dominant	88.10%	Included in the scope		Method 1: Adjusted equity method
227	IE	213800JH9QQWHLO99821IE21290	Specific code	L&G Multi Asset Core 45 Fund	Other	Limited by shares	Non-mutual		82.70%	82.70%	82.70%		Dominant	82.70%	Included in the scope		Method 1: Adjusted equity method
228	IE	213800JH9QQWHLO99821IE22390	Specific code	L&G Multi Asset Core 75 Fund	Other	Limited by shares	Non-mutual		84.00%	84.00%	84.00%		Dominant	84.00%	Included in the scope		Method 1: Adjusted equity method
229	IE	213800JH9QQWHLO69821GB1131	Specific code	L&G Net Zero Sterling Corporate Bond Fund	Other	Limited by shares	Non-mutual		25.00%	25.00%	25.00%		Significant	25.00%	Included in the scope		Method 1: Adjusted equity method
230	IE	213800JH9QQWHLO99821IE02020	Specific code	Legal & General Fund Managers (Ireland) Limited	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual	Central Bank of Ireland	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
231	IE	213800JH9QQWHLO69821GB1132	Specific code	Legal & General QIAIF ICAV	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
232	IE	213800JH9QQWHLO99821IE02040	Specific code	Legal & General UCITS Managers (Ireland) Limited	UCITS management companies as defined in Article 1 (54) of Delegated Regulation (EU) 2015/35	Limited by shares	Non-mutual	Central Bank of Ireland	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
233	IE	213800JH9QQWHLO99821IE02050	Specific code	LGIM (Ireland) Risk Management Solutions Plc	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
234	IE	2138004IJ8KA1W3MEA50	LEI	LGIM 2024 Leveraged Index Linked Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
235	IE	213800F687CJ8P5MNS13	LEI	LGIM 2025 Fixed Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
236	IE	213800TUDKQ1JXA35704	LEI	LGIM 2025 Inflation Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
237	IE	213800NRUJOVYNWRRZ17	LEI	LGIM 2025 Real Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
238	IE	2138004VCDEILQMHHS87	LEI	LGIM 2030 Fixed Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
239	IE	2138006LWBRVWFMWSR02	LEI	LGIM 2030 Inflation Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
240	IE	213800JH9QQWHLO69821GB1133	Specific code	LGIM 2030 Leverage Index Linked Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
241	IE	2138002AD2JAFG2T6X21	LEI	LGIM 2030 Real Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
242	IE	213800U83I2RPLZVB906	LEI	LGIM 2034 Leveraged Index Linked Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
243	IE	213800XCOZ1O5OOSYS07	LEI	LGIM 2035 Fixed Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
244	IE	213800QTCAOHWTNPNB95	LEI	LGIM 2035 Inflation Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
245	IE	213800QGQWR4NDVE5X78	LEI	LGIM 2035 Real Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
246	IE	213800XKA7X3OGZJRC45	LEI	LGIM 2037 Leveraged Index Linked Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
247	IE	213800RHT43PL1VAUN95	LEI	LGIM 2038 Leveraged Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
248	IE	2138002W643ZACLLU115	LEI	LGIM 2040 Fixed Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
249	IE	213800WCLGVVDNJOVA05	LEI	LGIM 2040 Inflation Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
250	IE	213800TRZCGU73DGNZ53	LEI	LGIM 2040 Leveraged Index Linked Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
251	IE	213800M9P63GXX67CQ14	LEI	LGIM 2040 Real Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
252	IE	21380034FZCG7S6OZU34	LEI	LGIM 2042 Leveraged Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
253	IE	213800FRM52MADDUAR40	LEI	LGIM 2042 Leveraged Index Linked Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
254	IE	2138009YI5CV66N93D59	LEI	LGIM 2045 Fixed Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
255	IE	2138003DTGLQ5WKKJL61	LEI	LGIM 2045 Inflation Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
256	IE	213800B1WK9EDRE4XJ19	LEI	LGIM 2045 Leveraged Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
257	IE	213800MSGMNVT5MPBV57	LEI	LGIM 2045 Real Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
258	IE	2138001ZX589S6983H89	LEI	LGIM 2047 Leveraged Index Linked Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
259	IE	213800X4P3DELXHNNM12	LEI	LGIM 2049 Leveraged Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
260	IE	213800F22H8H831GMX30	LEI	LGIM 2050 Fixed Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
261	IE	213800ZT35HUVVCDOH47	LEI	LGIM 2050 Inflation Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
262	IE	2138009RYH3G9FAOYE66	LEI	LGIM 2050 Leveraged Index Linked Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
263	IE	213800KO5KOPP3HEFI93	LEI	LGIM 2050 Real Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
264	IE	213800IC7AS1E1NLHA08	LEI	LGIM 2055 Fixed Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
265	IE	213800PTOPXK9AUQ7V89	LEI	LGIM 2055 Leveraged Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method

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									Criteria of influence						Inclusion in the scope of		Group solvency calculation
	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
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
266	IE	213800FBORGLUCYWB664	LEI	LGIM 2055 Leveraged Index Linked Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
267	IE	213800JH9QQWHLO69821GB1134	Specific code	LGIM 2055 Real Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
268	IE	213800JH9QQWHLO69821GB1135	Specific code	LGIM 2060 Fixed Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
269	IE	21380047SAW8H8ENBN97	LEI	LGIM 2060 Inflation Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
270	IE	2138007ORTV9VXAYYA73	LEI	LGIM 2060 Leveraged Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
271	IE	213800CCHZX2GDIMPA29	LEI	LGIM 2060 Real Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
272	IE	2138006KKHYFORYLOA07	LEI	LGIM 2062 Leveraged Index Linked Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
273	IE	213800D1PPMCE5H33G17	LEI	LGIM 2068 Leveraged Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
274	IE	2138009FVE6UF4UAWA73	LEI	LGIM 2068 Leveraged Index Linked Gilt Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
275	IE	213800E9II7HTHQZ8R17	LEI	LGIM Bespoke Active Credit Fund BP	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
276	IE	213800AT493RQ15WZY42	LEI	LGIM Credit and Liquidity - Fund BM	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
277	IE	213800348DVF7UT8RK46	LEI	LGIM Credit and Liquidity - Fund BN	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
278	IE	213800JH9QQWHLO99821IE10200	Specific code	LGIM Euro 2030 Real Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
279	IE	213800S2NZF9VFTUI661	LEI	LGIM Fixed Long Duration Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
280	IE	2138009UJIT5OWO4JC12	LEI	LGIM Fixed Short Duration Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
281	IE	213800CZ9HIK5L8B4Y57	LEI	LGIM Hedging Fund A	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
282	IE	213800OM2RDQP5ARFF46	LEI	LGIM Hedging Fund AC	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
283	IE	213800SMJTDAAXRRKI85	LEI	LGIM Hedging Fund AE	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
284	IE	213800TP1HHPAIHNCE07	LEI	LGIM Hedging Fund AI	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
285	IE	2138006S1FXHNAOWPZ38	LEI	LGIM Hedging Fund AK	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
286	IE	213800GAZN5GW432GI64	LEI	LGIM Hedging Fund AO	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
287	IE	2138006IX8XRER3BOH57	LEI	LGIM Hedging Fund AR	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
288	IE	2138003L433Y11U7AU83	LEI	LGIM Hedging Fund AS	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
289	IE	213800PPM6S53F9K9213	LEI	LGIM Hedging Fund AT	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
290	IE	213800T5LQ2LGMMAOI69	LEI	LGIM Hedging Fund AU	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
291	IE	2138004K17E3Z9M83U25	LEI	LGIM Hedging Fund AV	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
292	IE	213800S5LQFRI6HM2V51	LEI	LGIM Hedging Fund AW	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
293	IE	21380027445JPBRWB915	LEI	LGIM Hedging Fund AY	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
294	IE	213800ZD58YSGFJSUZ32	LEI	LGIM Hedging Fund AZ	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
295	IE	213800IKB7LGRH4AXM75	LEI	LGIM Hedging Fund B	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
296	IE	2138002LUW1MHEH1NV43	LEI	LGIM Hedging Fund BB	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
297	IE	2138007ICH5Z3UTVHI43	LEI	LGIM Hedging Fund BF	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
298	IE	213800VCBJOLL9LSL567	LEI	LGIM Hedging Fund BG	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
299	IE	213800C7OB99DS6LPW19	LEI	LGIM Hedging Fund BH	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
300	IE	213800Z73UNTZIHW5X36	LEI	LGIM Hedging Fund BI	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
301	IE	213800P7XO6XLQ6IPL95	LEI	LGIM Hedging Fund BJ	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
302	IE	2138002PKAKXQ5Q2BE78	LEI	LGIM Hedging Fund BL	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
303	IE	2138004PRIMWLWO1V574	LEI	LGIM Hedging Fund BT	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
304	IE	213800BV31BWC1ODI682	LEI	LGIM Hedging Fund BU	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
305	IE	2138002L8VGMTR4DW161	LEI	LGIM Hedging Fund BV	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
306	IE	213800V6DIAHJCDUKY81	LEI	LGIM Hedging Fund C	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
307	IE	213800AJ6D4G7XTQ1V31	LEI	LGIM Hedging Fund CJ	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
308	IE	2138005QASULGIJZLE45	LEI	LGIM Hedging Fund CK	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
309	IE	213800CN3Y1FGA2L6W51	LEI	LGIM Hedging Fund CI	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
310	IE	2138003RTFQMWGXTU493	LEI	LGIM Hedging Fund CL	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
311	IE	2138009NUIECLOXWUD14	LEI	LGIM Hedging Fund DC	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
312	IE	213800P4WIFFTUIR9G73	LEI	LGIM Hedging Fund DJ	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
313	IE	213800UKSF2RC5NDBU63	LEI	LGIM Hedging Fund DK	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
314	IE	213800JAGEAQIIY4JS42	LEI	LGIM Hedging Fund DO	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
315	IE	2138006RVV3EJYP3SP69	LEI	LGIM Hedging Fund L	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method

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									Criteria of influence						Inclusion in the scope of		Group solvency calculation
	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
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
316	IE	213800JBBUPAI69DAM52	LEI	LGIM Hedging Fund O	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
317	IE	213800D4YLJWSDCMH413	LEI	LGIM Hedging Fund Q	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
318	IE	2138004Z5FHE5QEZC240	LEI	LGIM Hedging Fund V	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
319	IE	213800MYEI4SX4CYT593	LEI	LGIM Hedging Fund WH	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
320	IE	213800MV5NBQ3QV7U351	LEI	LGIM Hedging Fund WS	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
321	IE	2138009DZ6GVB5SLN174	LEI	LGIM Hedging Fund WT	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
322	IE	213800UGW572KMZDVY23	LEI	LGIM Hedging Fund ZZ	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
323	IE	213800JS6SCR26913L70	LEI	LGIM Leveraged Gilt Plus Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
324	IE	213800CRXY7E8IFNAF35	LEI	LGIM Leveraged Index Linked Gilt Plus Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
325	IE	213800AWF9H2ZBFPAN08	LEI	LGIM Leveraged Synthetic Equity Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
326	IE	213800845SOH6NS76382	LEI	LGIM Maturing Buy & Maintain Credit Fund 2020-2024	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
327	IE	2138001WG1YGVD1X1Q23	LEI	LGIM Maturing Buy & Maintain Credit Fund 2025-2029	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
328	IE	213800YTFLI5DV4NGT67	LEI	LGIM Maturing Buy & Maintain Credit Fund 2030-2034	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
329	IE	213800XU2TDQMVAENN66	LEI	LGIM Maturing Buy & Maintain Credit Fund 2035-2039	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
330	IE	213800EJ6ABPS2JG8F79	LEI	LGIM Maturing Buy & Maintain Credit Fund 2040-2054	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
331	IE	213800K9AX1P2PV8X187	LEI	LGIM Real Long Duration Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
332	IE	213800UY1XDS9H5OCX38	LEI	LGIM Real Short Duration Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
333	IE	213800IVWP4AA11DQJ83	LEI	LGIM Solutions Fund BA	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
334	IE	213800SOHRH1IIBUJ736	LEI	LGIM Solutions Fund BK	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
335	IE	213800YR5T33E12QLV85	LEI	LGIM Solutions Fund BW	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
336	IE	213800ZW9FW6ZEWC9N34	LEI	LGIM Solutions Fund BX	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
337	IE	213800ICFE4SG2YR1922	LEI	LGIM Solutions Fund BY	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
338	IE	213800Z9WPDKFRNAPU81	LEI	LGIM Solutions Fund CA	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
339	IE	213800S2ZBCRAQ37OI38	LEI	LGIM Solutions Fund CB	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
340	IE	213800UQVJSRGCAOTE39	LEI	LGIM Solutions Fund CC	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
341	IE	213800MZQDJS2BNRIR50	LEI	LGIM Solutions Fund CD	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
342	IE	2138003JL4YM7RM15B39	LEI	LGIM Solutions Fund CF	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
343	IE	213800O7XIKUAI5WPH35	LEI	LGIM Solutions Fund CG	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
344	IE	213800I1YP4IHO895C50	LEI	LGIM Solutions Fund CH	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
345	IE	2138002QMCI37LG34R75	LEI	LGIM Solutions Fund CP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
346	IE	2138001DP115156IUE58	LEI	LGIM Solutions Fund CQ	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
347	IE	213800PFXY7MUPPIT851	LEI	LGIM Solutions Fund CS	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
348	IE	213800G5GVB7BDHICD14	LEI	LGIM Solutions Fund CT	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
349	IE	213800SE7Q69822A8L63	LEI	LGIM Solutions Fund CU	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
350	IE	213800UYMWDS9N5QJY47	LEI	LGIM Solutions Fund CW	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
351	IE	213800AYE75US33LXC80	LEI	LGIM Solutions Fund DB	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
352	IE	2138008F3ZT412OF8J24	LEI	LGIM Solutions Fund DE	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
353	IE	213800GV1FW4VC3M6E62	LEI	LGIM Solutions Fund DF	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
354	IE	213800RPVG811NVTIH12	LEI	LGIM Solutions Fund DH	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
355	IE	213800FJ5QHMLA27NQ60	LEI	LGIM Solutions Fund DI	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
356	IE	2138004BZMFRAN8WRH54	LEI	LGIM Solutions Fund DM	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
357	IE	2138005HVR855LYXE558	LEI	LGIM Solutions Fund DN	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
358	IE	213800EWZESCSLM3L913	LEI	LGIM Solutions Fund DQ	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
359	IE	213800NF2336VMJ8QF25	LEI	LGIM Solutions Fund DR	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
360	IE	213800N2XN4IAD5RG812	LEI	LGIM Solutions Fund DU	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
361	IE	213800JH9QQWHLO69821GB1136	Specific code	LGIM Solutions Fund DV	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
362	IE	213800JH9QQWHLO69821GB1137	Specific code	LGIM Solutions Fund DW	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
363	IE	213800JH9QQWHLO69821GB1138	Specific code	LGIM Solutions Fund DY	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
364	IE	213800ZXGMXWXD31J415	LEI	LGIM Solutions Fund M	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
365	IE	2138008WUNKVBYYWMK57	LEI	LGIM Synthetic Leveraged Credit Fund	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method

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									Criteria of influence						Inclusion in the scope of		Group solvency calculation
	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
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
366	IE	2138006VGU2BITSZCT06	LEI	LGIM Synthetic Leveraged Equity Fund - GBP Currency Hedged Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
367	IE	213800L86D1H1HFASJ20	LEI	LGIM Unleveraged Defensive Synthetic Equity Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
368	IE	213800JH9QQVHLO99821GB10150	Specific code	Sterling Liquidity Fund	Other	Limited by shares	Non-mutual		48.80%	48.80%	48.80%		Dominant	48.80%	Included in the scope		Method 1: Adjusted equity method
369	IE	213800JH9QQVHLO99821GB10160	Specific code	US Dollar Liquidity Fund	Other	Limited by shares	Non-mutual		46.70%	46.70%	46.70%		Significant	46.70%	Included in the scope		Method 1: Adjusted equity method
370	JP	213800JH9QQVHLO99821GB11450	Specific code	Legal & General Investment Management Japan KK	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual	Financial Services Agency	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
371	JE	213800JH9QQVHLO99821JE94990	Specific code	Access Development General Partner Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
372	JE	213800JH9QQVHLO99821JE95000	Specific code	Bishopsgate Long-term Property Fund General Partner Limited	Other	Limited by shares	Non-mutual		100%	100%	100%		Dominant	100%	Included in the scope		Method 1: Adjusted equity method
373	JE	213800JH9QQVHLO99821JE99030	Specific code	Bishopsgate Long-term Property Fund Limited Partnership	Other	Limited by shares	Non-mutual		25.00%	25.00%	25.00%		Significant	25.00%	Included in the scope		Method 1: Adjusted equity method
374	JE	213800JH9QQVHLO99821JE95010	Specific code	Bishopsgate Long-term Property Fund Nominees No 1 Limited	Other	Limited by shares	Non-mutual		25.00%	25.00%	25.00%		Significant	25.00%	Included in the scope		Method 1: Adjusted equity method
375	JE	213800JH9QQVHLO99821JE95020	Specific code	Bishopsgate Long-term Property Fund Nominees No 2 Limited	Other	Limited by shares	Non-mutual		25.00%	25.00%	25.00%		Significant	25.00%	Included in the scope		Method 1: Adjusted equity method
376	JE	213800JH9QQVHLO99821JE95040	Specific code	Borehamwood Property Unit Trust	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
377	JE	213800JH9QQVHLO99821GB10860	Specific code	SCBD S6 Trust	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
378	JE	213800JH9QQVHLO99821GB09320	Specific code	Stratford City Offices Jersey Unit Trust	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
379	JE	213800JH9QQVHLO99821JE95090	Specific code	Vantage General Partner Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
380	JE	213800JH9QQVHLO69821GB1139	Specific code	Vantage London Limited Partnership	Other	Limited by shares	Non-mutual		11.10%	11.10%	11.10%		Significant	11.10%	Included in the scope		Method 1: Adjusted equity method
381	LU	213800CWHOHPVRFZDA88	LEI	L&G Absolute Return Bond Fund	Other	Limited by shares	Non-mutual		87.70%	87.70%	87.70%		Dominant	87.70%	Included in the scope		Method 1: Adjusted equity method
382	LU	213800SIJ46ILXYN8O51	LEI	L&G Absolute Return Bond Plus Fund	Other	Limited by shares	Non-mutual		35.20%	35.20%	35.20%		Significant	35.20%	Included in the scope		Method 1: Adjusted equity method
383	LU	213800ES48I97ADSUQ86	LEI	L&G Buy & Maintain Credit Fund	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual		98.60%	98.60%	98.60%		Dominant	98.60%	Included in the scope		Method 1: Adjusted equity method
384	LU	213800JH9QQVHLO99821GB11460	Specific code	L&G Commodity Index Fund	Other	Limited by shares	Non-mutual		79.80%	79.80%	79.80%		Dominant	79.80%	Included in the scope		Method 1: Adjusted equity method
385	LU	2138006RKFXVH1NL4H90	LEI	L&G Emerging Markets Short Duration Bond Fund	Other	Limited by shares	Non-mutual		36.10%	36.10%	36.10%		Significant	36.10%	Included in the scope		Method 1: Adjusted equity method
386	LU	213800YNONAI5YNVKU48	LEI	L&G Future World Global Credit Fund	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual		56.90%	56.90%	56.90%		Dominant	56.90%	Included in the scope		Method 1: Adjusted equity method
387	LU	213800FIVGGU3C9KSN67	LEI	L&G Future World Global Equity Focus Fund	Other	Limited by shares	Non-mutual		84.40%	84.40%	84.40%		Dominant	84.40%	Included in the scope		Method 1: Adjusted equity method
388	LU	213800JH9QQVHLO69821GB1140	Specific code	L&G Global Diversified Credit Fund	Other	Limited by shares	Non-mutual		73.90%	73.90%	73.90%		Dominant	73.90%	Included in the scope		Method 1: Adjusted equity method
389	LU	213800JH9QQVHLO69821GB1141	Specific code	L&G Net Zero Global Corporate Bond Fund	Other	Limited by shares	Non-mutual		85.10%	85.10%	85.10%		Dominant	85.10%	Included in the scope		Method 1: Adjusted equity method
390	LU	213800JH9QQVHLO69821GB1142	Specific code	L&G NTR Clean Power GP S.à r.L.	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
391	LU	213800T9PN3V4EPPUM78	LEI	L&G UK Core Plus Bond Fund	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
392	GB	21380017XJ9PUNCD7S07	LEI	CALA 1999 Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
393	GB	213800G5Y18V29K2TP32	LEI	CALA Group Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
394	GB	213800JH9QQVHLO99821GB05410	Specific code	CALA Homes (East) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
395	GB	213800JH9QQVHLO99821GB05445	Specific code	CALA Homes (North) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
396	GB	213800JH9QQVHLO99821GB05460	Specific code	CALA Homes (Scotland) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
397	GB	213800JH9QQVHLO99821GB05505	Specific code	CALA Homes (West) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
398	GB	213800JH9QQVHLO99821GB05400	Specific code	CALA Homes Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
399	GB	213800JH9QQVHLO99821GB05525	Specific code	CALA Land Investments (Bearsden) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
400	GB	213800JH9QQVHLO99821GB05530	Specific code	CALA Land Investments Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
401	GB	213800JH9QQVHLO99821GB05545	Specific code	CALA Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
402	GB	213800JH9QQVHLO99821GB05550	Specific code	CALA Management Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
403	GB	213800JH9QQVHLO99821GB05560	Specific code	CALA Properties (Holdings) Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
404	GB	213800JH9QQVHLO99821GB05580	Specific code	CALA Ventures Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
405	GB	213800JH9QQVHLO99821GB10870	Specific code	UK PIF FGP LLP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
406	GB	213800JH9QQVHLO99821GB07420	Specific code	UKPIF Two Founder Partner LP	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
407	GB	213800JH9QQVHLO99821GB10880	Specific code	UKPIF Two Founder GP Limited	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
408	US	213800JH9QQVHLO69821GB1143	Specific code	Ancora Community Impact CDE LLC	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
409	US	213800JH9QQVHLO69821GB1144	Specific code	Ancora Investments LLC	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
410	US	213800JH9QQVHLO69821GB1145	Specific code	Ancora L&G, LLC	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
411	US	213800JH9QQVHLO69821GB1146	Specific code	Ancora Partners, LLC	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
412	US	213800JH9QQVHLO69821GB1147	Specific code	Ancora TEP Holdings LLC	Other	Limited by shares	Non-mutual		99.80%	99.80%	99.80%		Dominant	99.80%	Included in the scope		Method 1: Adjusted equity method
413	US	213800JH9QQVHLO69821GB1148	Specific code	Ancora TEP JV LLC	Other	Limited by shares	Non-mutual		99.80%	99.80%	99.80%		Dominant	99.80%	Included in the scope		Method 1: Adjusted equity method
414	US	213800JH9QQVHLO99821US94250	Specific code	Banner Life Insurance Company	Life insurance undertaking	Limited by shares	Non-mutual	Maryland Insurance	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 2: Local rules
415	US	213800JH9QQVHLO99821US10540	Specific code	Chesapeake Ventures, LLC	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method

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									Criteria of influence						Inclusion in the scope of		Group solvency calculation
	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
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
416	US	213800JH9QQWHLO99821US06620	Specific code	FBV Financing-1, LLC	Reinsurance undertaking	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
417	US	213800JH9QQWHLO99821US06630	Specific code	FBV Financing-2, LLC	Reinsurance undertaking	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
418	US	213800JH9QQWHLO99821US26288	Specific code	FBV Financing-3, LLC	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
419	US	213800JH9QQWHLO99821US06010	Specific code	First British Vermont Reinsurance Company II, Limited	Reinsurance undertaking	Limited by shares	Non-mutual	Vermont Department of Financial Regulation	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 2: Local rules
420	US	213800JH9QQWHLO99821US16482	Specific code	First British Vermont Reinsurance Company III, Limited	Reinsurance undertaking	Limited by shares	Non-mutual	Vermont Department of Financial Regulation	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 2: Local rules
421	US	213800JH9QQWHLO99821US04030	Specific code	Global Index Advisors Inc.	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual	U.S. Securities and Exchange Commission	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
422	US	213800JH9QQWHLO99821US36150	Specific code	Legal & General America Inc.	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Full consolidation
423	US	213800JH9QQWHLO69821GB1149	Specific code	Legal & General Investment Management America Inc.	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
424	US	213800JH9QQWHLO99821US04020	Specific code	Legal & General Investment Management United States (Holdings), Inc.	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual	U.S. Securities and Exchange Commission	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Sectoral rules
425	US	213800JH9QQWHLO69821GB1150	Specific code	LGC US Holdco 1 Inc.	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
426	US	213800JH9QQWHLO69821GB1151	Specific code	LGC US Holdco 2 LLC	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
427	US	5493001KE6Q5DH04LJ92	LEI	William Penn Life Insurance Company of New York Inc.	Life insurance undertaking	Limited by shares	Non-mutual	New York State Department Of Financial Services	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 2: Local rules
428	GB	213800JH9QQWHLO99821GB10910	Specific code	245 Hammersmith Road Limited Partnership	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
429	JE	213800JH9QQWHLO99821GB10920	Specific code	Access Development Limited Partnership	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
430	GB	213800JH9QQWHLO99821GB12165	Specific code	Austin Heath Management Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
431	JE	213800JH9QQWHLO99821GB10520	Specific code	Bracknell Property Unit Trust	Other	Limited by shares	Non-mutual		50.92%	50.92%	50.92%		Dominant	50.92%	Included in the scope		Method 1: Adjusted equity method
432	GB	213800JH9QQWHLO99821GB05375	Specific code	Bruntwood SciTech Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
433	GB	213800JH9QQWHLO99821GB07450	Specific code	CALA Evans Restoration Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
434	GB	213800JH9QQWHLO99821GB06460	Specific code	Congenica Limited	Other	Limited by shares	Non-mutual		7.52%	7.52%	7.52%		Significant	7.52%	Included in the scope		Method 1: Adjusted equity method
435	GB	213800JH9QQWHLO99821GB06490	Specific code	Durrants Management Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
436	GB	213800JH9QQWHLO99821GB10960	Specific code	ECV Partnerships Tattenhall Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
437	GB	213800JH9QQWHLO99821GB10970	Specific code	ECV Partnerships Warwick Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
438	GB	213800JH9QQWHLO99821GB00180	Specific code	Elderswell Management Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
439	GB	213800JH9QQWHLO99821GB05480	Specific code	English Cities Fund	Other	Limited by shares	Non-mutual		35.44%	35.44%	35.44%		Significant	35.44%	Included in the scope		Method 1: Adjusted equity method
440	GB	213800JH9QQWHLO99821GB27380	Specific code	Gifford Lea Management Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
441	GB	213800JH9QQWHLO99821GB09260	Specific code	Great Alne Park Management Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
442	AU	213800JH9QQWHLO99821AU11470	Specific code	Household Capital Pty Limited	Other	Limited by shares	Non-mutual		38.30%	38.30%	38.30%		Significant	38.30%	Included in the scope		Method 1: Adjusted equity method
443	GB	2549001IS9JEBMEA8864	LEI	Imagine Mortgages Limited (Generation Home)	Other	Limited by shares	Non-mutual		20.00%	20.00%	20.00%		Significant	20.00%	Included in the scope		Method 1: Adjusted equity method
444	GB	213800JH9QQWHLO99821GB07460	Specific code	Kao Data Limited	Other	Limited by shares	Non-mutual		30.00%	30.00%	30.00%		Significant	30.00%	Included in the scope		Method 1: Adjusted equity method
445	GB	213800JH9QQWHLO99821GB20089	Specific code	Kensa Group Limited	Other	Limited by shares	Non-mutual		37.60%	37.60%	37.60%		Significant	37.60%	Included in the scope		Method 1: Adjusted equity method
446	GB	213800JH9QQWHLO99821GB05610	Specific code	Ledian Gardens Management Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
447	GB	213800JH9QQWHLO69821GB1152	Specific code	LGHM-VIVID JV LLP	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
448	GB	213800JH9QQWHLO69821GB1153	Specific code	MoneyHub Financial Technology Limited	Other	Limited by shares	Non-mutual		9.00%	9.00%	9.00%		Significant	9.00%	Included in the scope		Method 1: Adjusted equity method
449	GB	213800JH9QQWHLO99821GB07470	Specific code	Newcastle Science Central Developments LLP	Other	Limited by shares	Non-mutual		33.30%	33.30%	33.30%		Significant	33.30%	Included in the scope		Method 1: Adjusted equity method
450	IE	213800JH9QQWHLO99821GB10310	Specific code	NTR Wind Management Limited	Other	Limited by shares	Non-mutual		25.00%	25.00%	25.00%		Significant	25.00%	Included in the scope		Method 1: Adjusted equity method
451	GB	213800JH9QQWHLO69821GB1154	Specific code	Onto Holdings Limited	Other	Limited by shares	Non-mutual		12.00%	12.00%	12.00%		Significant	12.00%	Included in the scope		Method 1: Adjusted equity method
452	GB	213800JH9QQWHLO99821GB07440	Specific code	Oxford University Property Development Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
453	JE	213800JH9QQWHLO99821GB09340	Specific code	Pemberton Asset Management Holdings Limited	Other	Limited by shares	Non-mutual		40.00%	40.00%	40.00%		Significant	40.00%	Included in the scope		Method 1: Adjusted equity method
454	GB	213800JH9QQWHLO99821GB11125	Specific code	Salary Direct Holdings Limited	Other	Limited by shares	Non-mutual		49.90%	49.90%	49.90%		Significant	49.90%	Included in the scope		Method 1: Adjusted equity method
455	GB	213800JH9QQWHLO69821GB1155	Specific code	Senior Living (Albourne) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
456	GB	213800JH9QQWHLO99821GB10100	Specific code	Senior Living (Aylesbury) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
457	GB	213800JH9QQWHLO69821GB1156	Specific code	Senior Living (Boston Spa) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
458	GB	213800JH9QQWHLO99821GB13325	Specific code	Senior Living (Broadbridge Heath) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
459	GB	213800JH9QQWHLO99821GB11135	Specific code	Senior Living (Caddington) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
460	GB	213800JH9QQWHLO99821GB07320	Specific code	Senior Living (Chandlers Ford) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method

LEGAL & GENERAL GROUP - SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
S.32.01.22 – (continued)
Undertakings in the scope of the group

									Criteria of influence						Inclusion in the scope of		Group solvency calculation
	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
Row	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
461	GB	213800JH9QQVHLO99821GB07990	Specific code	Senior Living (Comberton) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
462	GB	213800JH9QQVHLO99821GB07430	Specific code	Senior Living (Dore) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
463	GB	213800JH9QQVHLO99821GB11140	Specific code	Senior Living (Durrants) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
464	GB	213800JH9QQVHLO99821GB11155	Specific code	Senior Living (Freelands) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
465	GB	213800JH9QQVHLO99821GB07330	Specific code	Senior Living (Great Leighs) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
466	GB	213800JH9QQVHLO99821GB09410	Specific code	Senior Living (Halstead) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
467	GB	213800JH9QQVHLO69821GB1157	Specific code	Senior Living (Hemel Hempstead) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
468	GB	213800JH9QQVHLO99821GB17440	Specific code	Senior Living (Horndean) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
469	GB	213800JH9QQVHLO91821GB08450	Specific code	Senior Living (Knowle) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
470	GB	213800JH9QQVHLO99821GB11160	Specific code	Senior Living (Ledian Farm) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
471	JE	213800JH9QQVHLO99821GB11440	Specific code	Senior Living (Liphook) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
472	GB	213800JH9QQVHLO99821GB07340	Specific code	Senior Living (Matchams) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
473	GB	213800JH9QQVHLO99821GB07350	Specific code	Senior Living (Sonning Common) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
474	GB	213800JH9QQVHLO69821GB1158	Specific code	Senior Living (Stamford) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
475	GB	213800JH9QQVHLO99821GB17160	Specific code	Senior Living (Sunbury-on-Thames) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
476	GB	213800JH9QQVHLO99821GB11185	Specific code	Senior Living (Tattenhall) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
477	GB	213800JH9QQVHLO99821GB11175	Specific code	Senior Living (Tunbridge Wells) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
478	GB	213800JH9QQVHLO99821GB11165	Specific code	Senior Living (Turvey) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
479	GB	213800JH9QQVHLO99821GB09420	Specific code	Senior Living (Walkern) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
480	GB	213800JH9QQVHLO99821GB11195	Specific code	Senior Living (Warwick Gates) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
481	GB	213800JH9QQVHLO99821GB11170	Specific code	Senior Living Finance 1 Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
482	GB	213800QJI1LMN74GPL72	LEI	Sennen Finance Designated Activity Company	Other	Limited by shares	Non-mutual	Central Bank of Ireland	0.00%	0.00%	0.00%		Significant	0.00%	Included in the scope		Method 1: Adjusted equity method
483	GB	213800JH9QQVHLO99821GB09330	Specific code	Smartr365 Finance Limited	Other	Limited by shares	Non-mutual		49.00%	49.00%	49.00%		Significant	49.00%	Included in the scope		Method 1: Adjusted equity method
484	GB	213800JH9QQVHLO69821GB1159	Specific code	SOJV LLP	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
485	GB	213800JH9QQVHLO69821GB1160	Specific code	Tattenhall Care Village LLP	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
486	GB	213800JH9QQVHLO69821GB1161	Specific code	Warwick Gates LLP	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method
487	GB	213800JH9QQVHLO99821GB05495	Specific code	Winchburgh Developments (Holdings) Limited	Other	Limited by shares	Non-mutual		50.00%	50.00%	50.00%		Dominant	50.00%	Included in the scope		Method 1: Adjusted equity method

Annex 1 – Quantitative Reporting Templates (LGAS QRTs)

LEGAL AND GENERAL ASSURANCE SOCIETY LTD – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
S.02.01.02
Balance sheet

		Solvency II value
	Assets	C0010
R0010	Goodwill	-
R0020	Deferred acquisition costs	-
R0030	Intangible assets	-
R0040	Deferred tax assets	-
R0050	Pension benefit surplus	-
R0060	Property, plant & equipment held for own use	27,645
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	113,144,349
R0080	*Property (other than for own use)*	258,972
R0090	*Holdings in related undertakings, including participations*	553,031
R0100	*Equities*	404,171
R0110	*Equities - listed*	379,135
R0120	*Equities - unlisted*	25,036
R0130	*Bonds*	64,189,151
R0140	*Government Bonds*	6,173,039
R0150	*Corporate Bonds*	57,324,320
R0160	*Structured notes*	-
R0170	*Collateralised securities*	691,792
R0180	*Collective Investments Undertakings*	6,442,892
R0190	*Derivatives*	41,295,362
R0200	*Deposits other than cash equivalents*	770
R0210	*Other investments*	-
R0220	Assets held for index-linked and unit-linked contracts	14,414
R0230	Loans and mortgages	6,245,957
R0240	*Loans on policies*	-
R0250	*Loans and mortgages to individuals*	5,138,724
R0260	*Other loans and mortgages*	1,107,233
R0270	Reinsurance recoverables from:	84,300,690
R0280	*Non-life and health similar to non-life*	4,511
R0290	*Non-life excluding health*	4,511
R0300	*Health similar to non-life*	-
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	17,961,917
R0320	*Health similar to life*	81,393
R0330	*Life excluding health and index-linked and unit-linked*	17,880,524
R0340	*Life index-linked and unit-linked*	66,334,262
R0350	Deposits to cedants	588,350
R0360	Insurance and intermediaries receivables	35,933
R0370	Reinsurance receivables	693,447
R0380	Receivables (trade, not insurance)	4,906,871
R0390	Own shares (held directly)	-
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	-
R0410	Cash and cash equivalents	192,333
R0420	Any other assets, not elsewhere shown	-
R0500	**Total assets**	**210,149,989**

LEGAL AND GENERAL ASSURANCE SOCIETY LTD – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
S.02.01.02 (continued)
Balance sheet

		Solvency II value	
	Liabilities	C0010	
R0510	Technical provisions - non-life	9,450	
R0520	*Technical provisions - non-life (excluding health)*	9,450	
R0530	*TP calculated as a whole*	-	
R0540	*Best Estimate*	9,200	Note 1
R0550	*Risk margin*	250	Note 2
R0560	*Technical provisions - health (similar to non-life)*	-	
R0570	*TP calculated as a whole*	-	
R0580	*Best Estimate*	-	
R0590	*Risk margin*	-	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	62,541,907	
R0610	*Technical provisions - health (similar to life)*	223,779	
R0620	*TP calculated as a whole*	-	
R0630	*Best Estimate*	216,748	Note 1
R0640	*Risk margin*	7,031	Note 2
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	62,318,128	
R0660	*TP calculated as a whole*	-	
R0670	*Best Estimate*	61,845,891	Note 1
R0680	*Risk margin*	472,237	Note 2
R0690	Technical provisions - index-linked and unit-linked	65,898,295	
R0700	*TP calculated as a whole*	-	
R0710	*Best Estimate*	65,836,761	Note 1
R0720	*Risk margin*	61,534	Note 2
R0730	Other technical provisions	-	
R0740	Contingent liabilities	-	
R0750	Provisions other than technical provisions	63,930	
R0760	Pension benefit obligations	-	
R0770	Deposits from reinsurers	16,046,636	
R0780	Deferred tax liabilities	450,609	
R0790	Derivatives	45,399,604	
R0800	Debts owed to credit institutions	2,405	
R0810	Financial liabilities other than debts owed to credit institutions	-	
R0820	Insurance & intermediaries payables	563,287	
R0830	Reinsurance payables	232,452	
R0840	Payables (trade, not insurance)	9,113,883	
R0850	Subordinated liabilities	-	
R0860	*Subordinated liabilities not in BOF*	-	
R0870	*Subordinated liabilities in BOF*	-	
R0880	Any other liabilities, not elsewhere shown	-	
R0900	**Total liabilities**	**200,322,458**	
R1000	**Excess of assets over liabilities**	**9,827,531**	

Note 1
BELs are shown net of Transitional Measure on Technical Provisions (TMTP) applied.
The total BELs above sum to £127,909m. The total unadjusted BELs of £128,190m can be seen in section D.2 of the report.

Note 2
Risk Margin is shown net of TMTP applied. The total Risk Margin above sums to £541m.
The total unadjusted Risk Margin of £1,900m can be seen in section D.2 of the report.

In total, TMTP of £1,640m was applied, and can be seen in section D.2 of the report.

LEGAL AND GENERAL ASSURANCE SOCIETY LTD – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
S.05.01.02
Premiums, claims and expenses by line of business

	Non-life	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Total
		Medical expense insurance	Income protection insurance	Fire and other damage to property insurance	
		C0010	C0020	C0070	C0200
	Premiums written				
R0110	*Gross - Direct Business*	-	-	-	-
R0120	*Gross - Proportional reinsurance accepted*	-	-	117,697	117,697
R0130	*Gross - Non-proportional reinsurance accepted*				-
R0140	*Reinsurers' share*	-	-	111,881	111,881
R0200	*Net*	-	-	5,816	5,816
	Premiums earned				
R0210	*Gross - Direct Business*	-	-	-	-
R0220	*Gross - Proportional reinsurance accepted*	-	-	111,916	111,916
R0230	*Gross - Non-proportional reinsurance accepted*				-
R0240	*Reinsurers' share*	-	-	96,041	96,041
R0300	*Net*	-	-	15,875	15,875
	Claims incurred				
R0310	*Gross - Direct Business*	-	-	-	-
R0320	*Gross - Proportional reinsurance accepted*	-	-	62,679	62,679
R0330	*Gross - Non-proportional reinsurance accepted*				-
R0340	*Reinsurers' share*	-	-	53,753	53,753
R0400	*Net*	-	-	8,926	8,926
	Changes in other technical provisions				
R0410	*Gross - Direct Business*	-	-	-	-
R0420	*Gross - Proportional reinsurance accepted*	-	-	-	-
R0430	*Gross - Non-proportional reinsurance accepted*				-
R0440	*Reinsurers' share*	-	-	-	-
R0500	*Net*	-	-	-	-
R0550	**Expenses incurred**	-	-	18,112	18,112
R1200	**Other expenses**				-
R1300	**Total expenses**				18,112

LEGAL AND GENERAL ASSURANCE SOCIETY LTD – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022

Values are shown in £'000

S.05.01.02

Premiums, claims and expenses by line of business

	Life	Line of Business for: life insurance obligations				Life reinsurance obligations	Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0280	C0300
	Premiums written						
R141	*Gross*	635,060	-	10,802,943	9,895,152	143,636	21,476,791
R142	*Reinsurers' share*	268,559	-	7,893,251	5,007,687	59	13,169,556
R150	*Net*	366,501	-	2,909,692	4,887,465	143,577	8,307,235
	Premiums earned						
R151	*Gross*	635,060	-	-	9,597,230	143,636	10,375,926
R152	*Reinsurers' share*	268,559	-	-	4,985,162	59	5,253,780
R160	*Net*	366,501	-	-	4,612,068	143,577	5,122,146
	Claims incurred						
R161	*Gross*	292,377	-	3,404,497	5,507,973	311,125	9,515,972
R162	*Reinsurers' share*	189,777	-	632,133	3,279,073	14,269	4,115,252
R170	*Net*	102,600	-	2,772,364	2,228,900	296,856	5,400,720
	Changes in other technical						
R171	*Gross*	(187,359)	-	(6,387,390)	(21,285,405)	(372,793)	(28,232,947)
R172	*Reinsurers' share*	(42,233)	-	(6,388,510)	(5,795,609)	(60,684)	(12,287,036)
R180	*Net*	(145,126)	-	1,120	(15,489,796)	(312,109)	(15,945,911)
R190	**Expenses incurred**	165,253	-	123,009	739,928	-	1,028,190
R250	**Other expenses**						56,547
R260	**Total expenses**						1,084,737

LEGAL AND GENERAL ASSURANCE SOCIETY LTD – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022

Values are shown in £'000

S.12.01.02

Life and Health SLT Technical Provisions

		Index-linked and unit-linked insurance	Contracts with options or guarantees	Other life insurance	Contracts without options and guarantees	Contracts with options or guarantees	Accepted reinsurance	Total (Life other than health insurance, incl Unit-linked)	Health insurance (direct business)	Contracts without options and guarantees	Contracts with options or guarantees	Total (Health similar to life insurance)
		C0030	C0050	C0060	C0070	C0080	C0100	C0150	C0160	C0170	C0180	C0210
R0010	**Technical provisions calculated as a whole**	-		-			-	-	-			-
R0020	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	-		-			-	-	-			-
	Technical provisions calculated as a sum of BE and RM											
	Best estimate											
R0030	**Gross Best Estimate**		65,825,518		27,161,819	34,068,607	908,299	127,964,243		41,594	175,154	216,748
R0080	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		66,334,262		8,631,623	9,084,998	163,903	84,214,786		30,422	50,971	81,393
R0090	Best estimate minus recoverables from reinsurance/SPV and Finite Re		(508,744)		18,530,196	24,983,609	744,396	43,749,457		11,172	124,183	135,355
R0100	**Risk margin**	61,534		1,769,797			60,645	1,891,976	7,031			7,031
	Amount of the transitional on Technical Provisions											
R0110	Technical Provisions calculated as a whole	-		-			-	-	-			-
R0120	Best estimate	-	-	-	(119,875)	(156,815)	(4,901)	(281,591)	-	-	-	-
R0130	Risk margin	-		(1,334,566)			(23,639)	(1,358,205)	-			-
R0200	**Technical provisions - total**	65,887,052		61,388,967			940,404	128,216,423	223,779			233,779

LEGAL AND GENERAL ASSURANCE SOCIETY LTD – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
S.17.01.02
Non-Life Technical Provisions

		Direct business and accepted proportional reinsurance			Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Fire and other damage to property insurance	
		C0020	C0030	C0080	C0180
R0010	**Technical provisions calculated as a whole**	-	-	-	-
R0050	Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	-	-	-	-
	Technical provisions calculated as a sum of BE and RM				
	Best estimate				
	Premium provisions				
R0060	**Gross - Total**	-	-	5,682	5,682
R0140	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-	-	4,511	4,511
R0150	**Net Best Estimate of Premium Provisions**	-	-	1,171	1,171
	Claims provisions				
R0160	**Gross - Total**	-	-	3,518	3,518
R0240	Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-	-	-	-
R0250	**Net Best Estimate of Claims Provisions**	-	-	3,518	3,518
R0260	**Total best estimate - gross**	-	-	9,200	9,200
R0270	**Total best estimate - net**	-	-	4,689	4,689
R0280	**Risk margin**	-	-	250	250
	Amount of the transitional on Technical Provisions				
R0290	TP as a whole	-	-	-	-
R0300	Best estimate	-	-	-	-
R0310	Risk margin	-	-	-	-
R0320	**Technical provisions - total**	-	-	9,450	9,450
R0330	**Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total**	-	-	4,511	4,511
R0340	**Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total**	-	-	4,939	4,939

LEGAL AND GENERAL ASSURANCE SOCIETY LTD – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
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
R0010	**Technical provisions**	128,449,652	1,639,796	-	-	6,659,997
R0020	**Basic own funds**	9,827,531	(1,229,847)	-	-	(4,994,998)
R0050	**Eligible own funds to meet Solvency Capital Requirement**	9,827,531	(1,229,847)	-	-	(4,994,998)
R0090	**Solvency Capital Requirement**	4,737,346	460,567	-	-	8,097,088
R0100	**Eligible own funds to meet Minimum Capital Requirement**	9,827,531	(1,229,847)	-	-	(4,994,998)
R0110	**Minimum Capital Requirement**	1,253,076	46,402	-	-	2,024,272

Note

The information disclosed in this template is as defined in Annex I of Commission Implementing Regulation (EU) 2015/2542, and is as at 31 December 2022.
Values in this table alone do not provide sufficient information to gain a fair and transparent understanding of the Group's solvency position

Additional information on the Transition Measure on Technical Provisions and the Matching Adjustment can be found in section D.2 of the report.

LEGAL AND GENERAL ASSURANCE SOCIETY LTD – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
S.23.01.01
Own Funds

	Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35	**Total**	**Tier 1 unrestricted**	**Tier 1 restricted**	**Tier 2**	**Tier 3**
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	651,430	651,430		-	
R0030	Share premium account related to ordinary share capital	1,048,914	1,048,914		-	
R0040	Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	-	-		-	
R0050	Subordinated mutual member accounts	-		-	-	-
R0070	Surplus funds	-	-			
R0090	Preference shares	-		-	-	-
R0110	Share premium account related to preference shares	-		-	-	-
R0130	Reconciliation reserve	8,127,187	8,127,187			
R0140	Subordinated liabilities	-		-	-	-
R0160	An amount equal to the value of net deferred tax assets	-				-
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	-	-	-	-	-
	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	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	-				
	Deductions					
R0230	Deductions for participations in financial and credit	-	-	-	-	-
R0290	**Total basic own funds after deductions**	9,827,531	9,827,531	-	-	-
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	9,827,531	9,827,531	-	-	-
R0510	Total available own funds to meet the MCR	9,827,531	9,827,531	-	-	
R0540	Total eligible own funds to meet the SCR	9,827,531	9,827,531	-	-	-
R0550	Total eligible own funds to meet the MCR	9,827,531	9,827,531	-	-	
R0580	**SCR**	4,737,346				
R0600	**MCR**	1,253,076				
R0620	**Ratio of Eligible own funds to SCR**	207%				
R0640	**Ratio of Eligible own funds to MCR**	784%				
	Reconciliation reserve					
R0700	Excess of assets over liabilities	9,827,531				
R0710	Own shares (held directly and indirectly)	-				
R0720	Foreseeable dividends, distributions and charges	-				
R0730	Other basic own fund items	1,700,344				
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	-				
R0760	**Reconciliation reserve**	8,127,187				
	Expected profits					
R0770	Expected profits included in future premiums (EPIFP) - Life	1,823,824				
R0780	Expected profits included in future premiums (EPIFP) - Non-life business	-				
R0790	**Total Expected profits included in future premiums**	1,823,824				

LEGAL AND GENERAL ASSURANCE SOCIETY LTD – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
S.25.02.21
Solvency Capital Requirement - for undertakings using the standard formula and partial internal model

	Unique number of component	Component description	Calculation of the Solvency Capital Requirement	Amount modelled	
Row	C0010	C0020	C0030	C0070	
1	10300I	Interest rate risk (other than pension scheme)	631,153	631,153	
2	10400I	Equity risk (other than pension scheme)	719,172	719,172	
3	10600I	Property risk (other than pension scheme)	1,137,584	1,137,584	
4	10700I	Spread risk (other than pension scheme)	3,847,829	3,847,829	
5	10800I	Concentration risk (other than pension scheme)	-	-	
6	10900I	Currency risk (other than pension scheme)	104,202	104,202	
7	11000I	Other market risk (other than pension scheme)	684,210	684,210	
8	10300P	Interest rate risk (pension scheme)	-	-	
9	10400P	Equity risk (pension scheme)	-	-	
10	10600P	Property risk (pension scheme)	-	-	
11	10700P	Spread risk (pension scheme)	-	-	
12	10800P	Concentration risk (pension scheme)	-	-	
13	10900P	Currency risk (pension scheme)	-	-	
14	11000P	Other market risk (pension scheme)	-	-	
15	19900I	Diversification within market risk (including pension scheme)[1]	(1,104,221)	(1,104,221)	Note 1
16	20100I	Type 1 counterparty risk	325,224	325,224	
17	20200I	Type 2 counterparty risk	-	-	
18	29900I	Diversification within counterparty risk	-	-	Note 1
19	30100I	Mortality risk	144,030	144,030	
20	30200I	Longevity risk (other than pension scheme)	2,458,873	2,458,873	
21	30200P	Longevity risk (pension scheme)	-	-	
22	30400I	Mass lapse	379,643	379,643	
23	30500I	Other lapse risk	286,974	286,974	
24	30600I	Expense risk	511,685	511,685	
25	30800I	Life catastrophe risk	589,621	589,621	
26	30900I	Other life underwriting risk	-	-	
27	39900I	Diversification within life underwriting risk[1]	(1,684,078)	(1,684,078)	Note 1
28	41600I	Other health underwriting risk	86,023	86,023	
29	50100I	Premium risk	-	-	
30	50200I	Reserve risk	-	-	
31	50150I	Premium risk if premium risk covers premium provision and business planned to be written in coming 12 months combined	15,859	15,859	
32	50210I	Reserving risk if claims provision and premium provision combined	3,322	3,322	
33	50300I	Non-life catastrophe risk	17,947	17,947	
34	59900I	Diversification within non-life underwriting risk[1]	(11,535)	(11,535)	Note 1
35	70100I	Operational risk	812,756	812,756	
36	80100I	Other risks	-	-	
37	80200I	Loss-absorbing capacity of technical provisions	-	-	
38	80300I	Loss-absorbing capacity of deferred tax	(1,552,917)	(1,552,917)	
39	80400I	Other adjustments	(370,492)	(370,492)	

LEGAL AND GENERAL ASSURANCE SOCIETY LTD – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022
Values are shown in £'000
S.25.02.21 (continued)
Solvency Capital Requirement - for undertakings using the standard formula and partial internal model

	Calculation of Solvency Capital Requirement	C0100	
R0110	Total undiversified components	8,032,864	Sum of components above
R0060	Diversification[2]	(3,295,518)	Note 2
R0120	Adjustment due to RFF/MAP nSCR aggregation	-	
R0160	Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	-	
R0200	**Solvency capital requirement excluding capital add-on**	4,737,346	
R0210	Capital add-ons already set	-	
R0220	**Solvency capital requirement**	4,737,346	Total plus diversification (R0110 + R0060)
	Other information on SCR		
R0300	Amount/estimate of the overall loss-absorbing capacity of technical provisions	-	
R0310	Amount/estimate of the overall loss-absorbing capacity of deferred taxes	(1,552,917)	
R0400	Capital requirement for duration-based equity risk sub-module	-	
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	1,620,824	
R0420	Total amount of Notional Solvency Capital Requirement for ring fenced funds	-	
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	3,610,485	
R0440	Diversification effects due to RFF nSCR aggregation for article 304	-	

	Approach to tax rate	C0109
R0590	Approach based on average tax rate	Yes

		LAC DT
		C0130
R0640	**Amount/estimate of LAC DT**	(1,552,917)
R0650	Amount/estimate of LAC DT justified by reversion of deferred tax liabilities	(435,691)
R0660	Amount/estimate of LAC DT justified by reference to probable future taxable economic profit	(1,117,226)
R0670	Amount/estimate of LAC DT justified by carry back, current year	-
R0680	Amount/estimate of LAC DT justified by carry back, future years	-
R0690	Amount/estimate of Maximum LAC DT	(2,416,498)

Note 1
These items represent diversification within individual risk categories. The total diversification within categories is £2,800m.

Note 2
This item represents diversification between risk categories. The total diversification within and between risk categories is £6,095m.

LEGAL AND GENERAL ASSURANCE SOCIETY LTD – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022

Values are shown in £'000

S.28.02.01

Minimum Capital Requirement - Both life and non-life insurance activity

		Non-life activities	Life activities
		MCR(NL,NL) Result	MCR(NL,L) Result
		C0010	C0020
R0010	**Linear formula component for non-life insurance and reinsurance obligations**	877	-

		Non-life activities: Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Non-life activities: Net (of reinsurance) written premiums in the last 12 months	Life activities: Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Life activities: Net (of reinsurance) written premiums in the last 12 months	α	β	non-life α.D + β.E	life α.F + β.G
		C0030	C0040	C0050	C0060				
R0020	Medical expense insurance and proportional reinsurance	-	-	-	-	4.7%	4.7%	-	-
R0030	Income protection insurance and proportional reinsurance	-	-	-	-	13.1%	8.5%	-	-
R0040	Workers' compensation insurance and proportional reinsurance	-	-	-	-	10.7%	7.5%	-	-
R0050	Motor vehicle liability insurance and proportional reinsurance	-	-	-	-	8.5%	9.4%	-	-
R0060	Other motor insurance and proportional reinsurance	-	-	-	-	7.5%	7.5%	-	-
R0070	Marine, aviation and transport insurance and proportional reinsurance	-	-	-	-	10.3%	14.0%	-	-
R0080	Fire and other damage to property insurance and proportional reinsurance	4,689	5,816	-	-	9.4%	7.5%	877	-
R0090	General liability insurance and proportional reinsurance	-	-	-	-	10.3%	13.1%	-	-
R0100	Credit and suretyship insurance and proportional reinsurance	-	-	-	-	17.7%	11.3%	-	-
R0110	Legal expenses insurance and proportional reinsurance	-	-	-	-	11.3%	6.6%	-	-
R0120	Assistance and proportional reinsurance	-	-	-	-	18.6%	8.5%	-	-
R0130	Miscellaneous financial loss insurance and proportional reinsurance	-	-	-	-	18.6%	12.2%	-	-
R0140	Non-proportional health reinsurance	-	-	-	-	18.6%	15.9%	-	-
R0150	Non-proportional casualty reinsurance	-	-	-	-	18.6%	15.9%	-	-
R0160	Non-proportional marine, aviation and transport reinsurance	-	-	-	-	18.6%	15.9%	-	-
R0170	Non-proportional property reinsurance	-	-	-	-	18.6%	15.9%	-	-
							TS MCR.12	877	-

		MCR(L,NL) Result	MCR(L,L) Result
		C0070	C0080
R0200	**Linear formula component for life insurance and reinsurance obligations**	-	1,252,199

LEGAL AND GENERAL ASSURANCE SOCIETY LTD – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2022

Values are shown in £'000

S.28.02.01 (continued)

Minimum Capital Requirement - Both life and non-life insurance activity

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk			
		C0090	C0100	C0110	C0120			
R0210	Obligations with profit participation - guaranteed benefits	-		-		3.7%	-	-
R0220	Obligations with profit participation - future discretionary benefits	-		-		-5.2%	-	-
R0230	Index-linked and unit-linked insurance obligations	-		-		0.7%	-	-
R0240	Other life (re)insurance and health (re)insurance obligations	-		44,100,722		2.1%	-	926,115
R0250	Total capital at risk for all life (re)insurance obligations		-		465,833,773	0.07%	-	326,084
						TS MCR.13	-	1,252,199

	Overall MCR calculation	C0130
R0300	Linear MCR	1,253,076
R0310	SCR	4,737,346
R0320	MCR cap	2,131,806
R0330	MCR floor	1,184,336
R0340	Combined MCR	1,253,076
R0350	Absolute floor of the MCR	5,770
R0400	**Minimum Capital Requirement**	1,253,076

		Non-life activities	Life activities
	Notional non-life and life MCR calculation	C0140	C0150
R0500	Notional linear MCR	877	1,252,199
R0510	Notional SCR excluding add-on (annual or latest calculation)	3,315	4,734,030
R0520	Notional MCR cap	1,492	2,130,314
R0530	Notional MCR floor	829	1,183,508
R0540	Notional combined MCR	877	1,252,199
R0550	Absolute floor of the notional MCR	2,325	3,445
R0560	**Notional MCR**	2,325	1,252,199

Annex 2 – Group Governance Framework

GROUP BOARD
Defines the Group's strategy.
Sets the Group's risk appetite and ensures a sound risk management framework.
Sets remuneration policy.
Responsible for financial reporting.
Approves material transactions: M&A, capital investment, debt arrangements.

REMUNERATION COMMITTEE
Responsible for recommending the remuneration of Executive Directors and other designated individuals and the remuneration policy for the Group to the Board.

GROUP TECHNOLOGY COMMITTEE
Responsible for oversight of the Board with regards to all aspects of Information Technology, Cyber Security (including IT and Information Security) and Data & Analytics across the Group.

NOMINATIONS & CORPORATE GOVERNANCE COMMITTEE
Responsible for the overall composition of the Board and succession planning and recommends appointments to the Board. Responsible for overseeing the Group's corporate governance framework.

AUDIT COMMITTEE
Responsible for oversight of the Group's financial statements/reporting and the adequacy/effectiveness of the internal control environment, including financial control. Oversees the relationship with the external auditor and the activities of the Internal Audit function.

LOCAL AUDIT COMMITTEES
LGAS, LGIM(H), LGIM Managers (Europe), PMC, LGA, L&G Re, LGAH

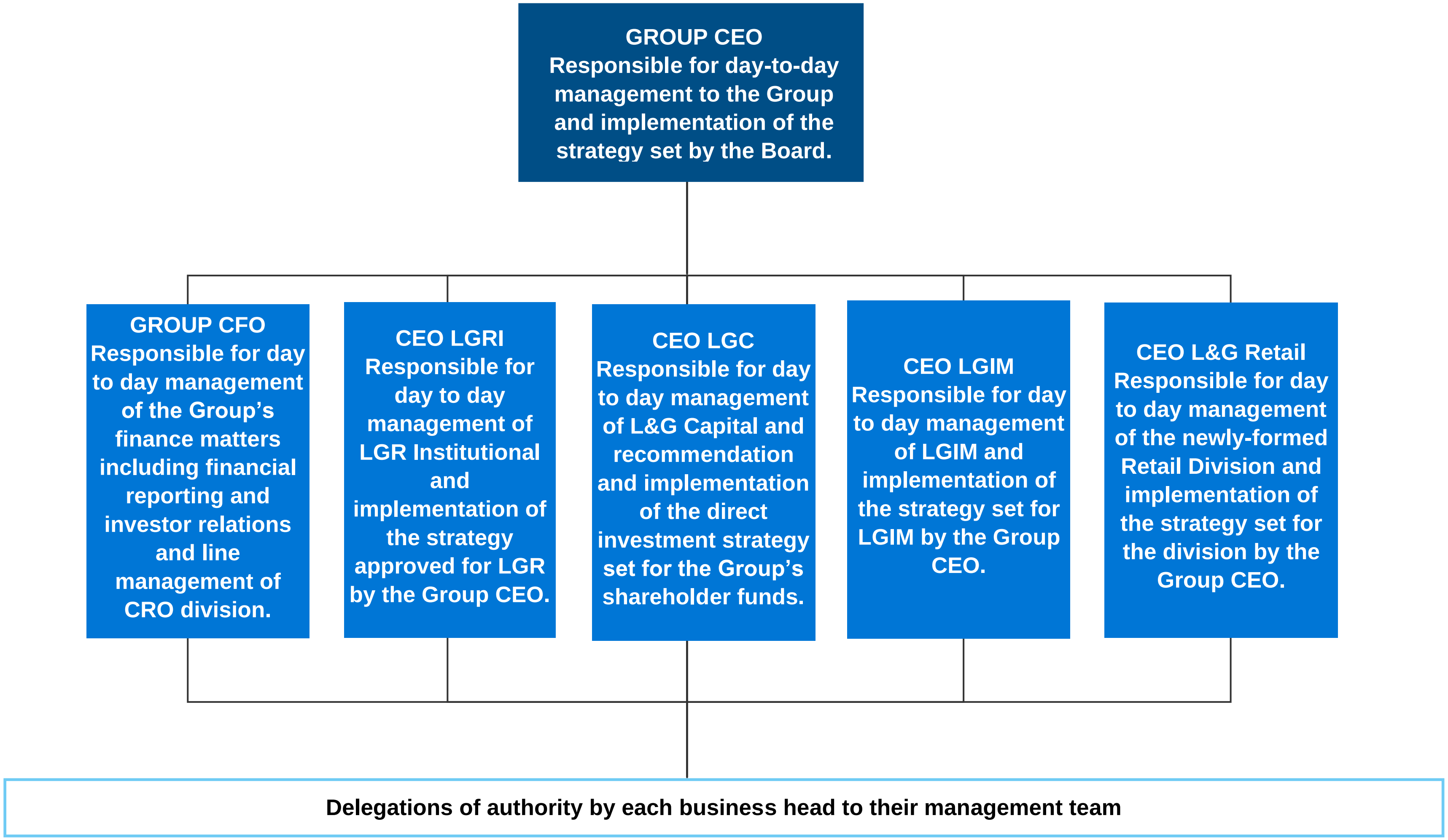
GROUP RISK COMMITTEE
Advises the Board on risk appetite, oversees the management of risk and the operation of the risk management framework.

LOCAL RISK COMMITTEES
LGIM, LGA, L&G Re, LGAH, LGHF

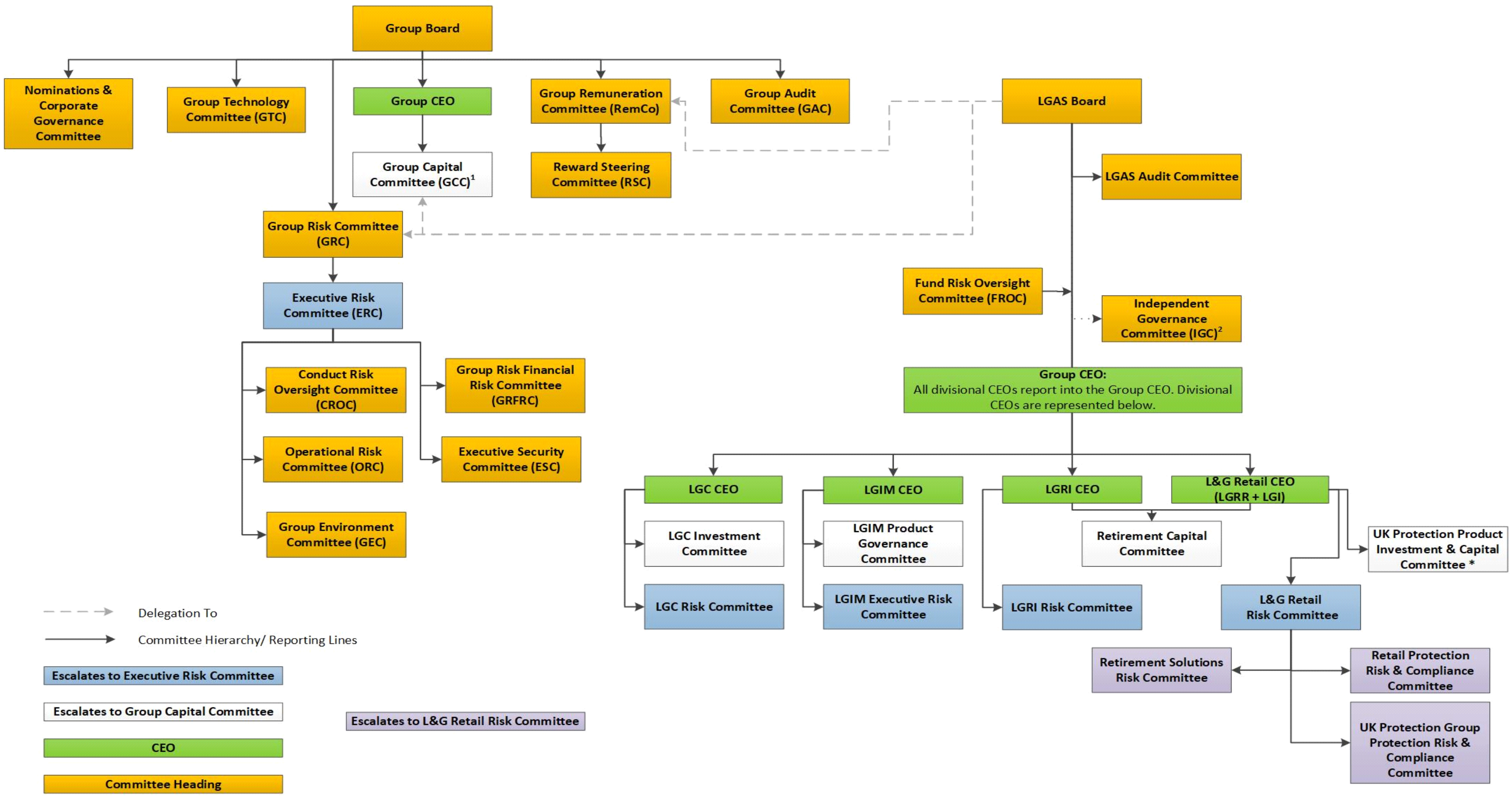
GROUP CEO
Responsible for day-to-day management to the Group and implementation of the strategy set by the Board.

GROUP CAPITAL COMMITTEE
The Group CEO has delegated joint responsibility for material decisions in relation to setting the strategy for capital management/allocation (e.g. certain new products, material transactions and capital investment/allocation and utilisation) to this Committee. Decisions of the Committee require the Group CEO plus a majority of other members.

Annex 2 – Group Governance Framework



Annex 2 – LGAS Governance Oversight Structure



[1] Management committee

[2] Does not act upon delegated authority but provides reports to LGAS Board in an advisory capacity

* Previously known as LGI Product Investment & Capital Committee

Annex 3 – Main Assumptions Underlying Technical Provision

	YE 2022	YE 2021
Non-linked individual term assurances [1]		
Smokers	90% TMS08/TFS08 Sel 5	90% TMS08/TFS08 Sel 5
Non-smokers	92% TMN08/TFN08 Sel 5	92% TMN08/TFN08 Sel 5
Non-linked individual term assurances with terminal illness[1, 2]		
Smokers	58-84% TMS08/TFS08 Sel 5	58-84% TMS08/TFS08 Sel 5
Non-smokers	75-86% TMN08/TFN08 Sel 5	75-86% TMN08/TFN08 Sel 5
Non-linked individual term assurances with critical illness (Sold until 31/12/2012) [3]		
Smokers	89% - 120% ACMS08/ACFS08	89% - 120% ACMS08/ACFS08
Non-smokers	104% - 115% ACMN08/ACFN08	104% - 115% ACMN08/ACFN08
Non-linked individual term assurances with critical illness (Sold from 01/01/2013) [3]		
Smokers	91% - 125% ACMS08/ACFS08	91% - 125% ACMS08/ACFS08
Non-smokers	106% - 132% ACMN08/ACFN08	106% - 132% ACMN08/ACFN08
Whole of Life [4]		
Smokers	Bespoke tables based on TMS08/TFS08, PCMA00/PCFA00 and UK death registrations	Bespoke tables based on TMS08/TFS08, PCMA00/PCFA00 and UK death registrations
Non-smokers	Bespoke tables based on TMS08/TFS08, PCMA00/PCFA00 and UK death registrations	Bespoke tables based on TMN08/TFN08, PCMA00/PCFA00 and UK death registrations
Annuities		
Annuities in deferment [5, 6]	75.7% - 85.6% PNMA00/PNFA00	76.2% - 86.3% PNMA00/PNFA00
Bulk purchase annuities in payment [6]	75.7% - 85.6% PCMA00/PCFA00	76.2% - 86.3% PCMA00/PCFA00
Other annuities[6]	66.4% - 105.5% PCMA00/PCFA00	65.9% - 109.3% PCMA00/PCFA00

1. Mortality rates are assumed to improve at a rate of 1.00% p.a. for both males and females.

2. The percentage of the table varies with the duration that the policy has been in-force for the first five years.

3. The percentage of the table varies with the duration that the policy has been in-force for the first two years. For term assurance with critical illness, morbidity rates are assumed to deteriorate at a rate of 0.50% p.a. for males and 0.75% p.a. for females.

4. The percentage of the TM08/TF08 tables varies with the duration that the policy has been in-force for the first five years. Thereafter, a bespoke mortality table constructed based on TM08/TF08 tables, PCMA00/PCFA tables and UK death registrations. Mortality rates are assumed to reduce based on CMI 2020 model with a long term annual improvement rate of 1.5% for males and 1.0% for females.

5. Table created by blending PCXA00 with PNXA00 tables. The base table to be used for bulk purchase annuity policies in deferment is PNMA00 up to and including age 55 and PCMA00 for age 65 and above for males. The identical method is applied to females using PNFA00 and PCFA00.

6. Mortality rates are assumed to reduce according to an adjusted version of the mortality improvement model CMI 2020 with the following parameters:
   Males: Long Term Rate of 1.50% p.a. up to age 85 tapering to 0% at 110
   Females: Long Term Rate of 1.0% p.a. up to age 85 tapering to 0% at 110

Smoothing is applied to derive initial rates using a smoothing parameter (Sk) value of 7.5 applied to L&G bespoke population data to 2019. The resulting initial rates are then adjusted to reflect socio economic class.

Different business classes have different effective dates for applying improvers.

For certain annuities, a further allowance is made for the effect of initial selection.

The mortality basis described above is applicable up to age 90. After age 90 the basis is blended towards a bespoke table from age 105 onwards.

Lapse Rates:

Year End 2022	Years 1-5	Years 6-10	Years 11+
Level Term	**5.8% - 29.1%**	**3.2% - 8.4%**	**2.0% - 5.0%**
Decreasing Term	**4.4% - 15.0%**	**6.7% - 11.9%**	**6.3% - 7.7%**
Accelerated Critical Illness	**5.9% - 31.5%**	**5.4% - 13.6%**	**3.2% - 9.0%**

Year End 2021	Years 1-5	Years 6-10	Years 11+
Level Term	5.7% - 28.7%	3.2% - 8.4%	2.0% - 5.0%
Decreasing Term	4.4% - 15.0%	6.7% - 11.9%	6.3% - 7.7%
Accelerated Critical Illness	5.9% - 31.1%	5.4% - 13.6%	3.2% - 9.0%

Glossary

ALM
Asset liability management.

Annuity
Regular payments from an insurance company made for an agreed period of time (usually up to the death of the recipient) in return for either a cash lump sum or a series of premiums which the policyholder has paid to the insurance company during their working lifetime.

Basic Own Funds
The surplus of assets over liabilities and subordinated liabilities.

Best estimate liability (BEL)
The probability-weighted average of best estimate future cash flows, discounted using risk-free term structure of interest rates (adjusted for a matching adjustment where appropriate).

Capital coverage ratio
Also known as the solvency coverage ratio. The Eligible Own Funds on a regulatory basis divided by the Group Solvency Capital requirement. This represents the number of times the SCR is covered by Eligible Own Funds.

CEO
Chief Executive Officer.

Code Staff
A category of role defined under various applicable European Directives (CRDIII & IV, AIFMD, UCITS V, and Solvency II). The name is taken from the FCA's Remuneration Code that interprets and applies these Directives for the UK. Broadly, Code Staff includes roles that are considered to have the authority to take risks that could directly, or indirectly, affect one or more firms within the Group and its investors.

CRO
Chief Risk Officer.

DAC
Deferred acquisition costs.

Deduction and Aggregation (D&A)
A method of calculating group solvency on a Solvency II basis, whereby the assets and liabilities of certain entities are excluded from the group consolidation. The net contribution from those entities to group Own Funds is included as an asset on the group's Solvency II balance sheet. Regulatory approval has been provided to recognise the (re)insurance subsidiaries in the US and Bermuda on this basis.

EEA
European economic area.

EIOPA
European Insurance and Occupational Pensions Authority.

Eligible Own Funds (EOF)
The amount of Own Funds available to meet the SCR and MCR. This includes any adjustments for eligibility requirements as defined by the Solvency II regulations.

EPIFP
Expected profit included in future premiums.

IFRS adjusted operating profit
Adjusted operating profit measures the pre-tax result excluding the impact of investment volatility, economic assumption changes and exceptional items. Operating profit therefore reflects longer term economic assumptions and changes in insurance risks such as mortality and longevity for the Group's insurance business and shareholder funds, except for LGA which excludes unrealised investment returns to align with the liability measurement under US GAAP. Variances between actual and smoothed assumptions are reported below operating profit. Exceptional income and expenses which arise outside the normal course of business in the period, such as merger and acquisition and start-up costs are excluded from operating profit.

Internal Model
A solvency calculation model tailored to the individual risk profile of a specific firm.

International financial reporting standards (IFRS)
These are accounting guidelines and rules that companies and organisations follow when completing financial statements. They are designed to enable comparable reporting between companies, and they are the standards that all publicly listed groups in the UK are required to use.

LGA
Legal & General America.

LGAS
Legal and General Assurance Society Limited.

L&G Re
Legal & General Reinsurance Limited.

LGC
Legal & General Capital division.

LGRI
Legal & General Retirement Institutional.

LGIM
Legal & General Investment Management division.

Liability driven investment (LDI)
A form of investing in which the main goal is to gain sufficient assets to meet all liabilities, both current and future. This form of investing is most prominent in final salary pension plans, whose liabilities can often reach into billions of pounds for the largest of plans.

Lifetime Mortgages
An equity release product aimed at people aged 55 years and over. It is a mortgage loan secured against the customer's house. Customers do not make any monthly payments and continue to own and live in their house until they move into long-term care or on death. A no negative equity guarantee exists such that if the house value on repayment is insufficient to cover the outstanding loan, any shortfall is borne by the lender.

Liquidity coverage ratio (LCR)
The measure of exposure to liquidity risk. The LCR is defined as total sources of liquidity divided by total liquidity requirements.

Longevity
Measure of how long policyholders will live, which affects the risk profile of pension risk transfer, annuity and protection businesses.

Matching adjustment (MA)
An adjustment to the discount rate used for annuity liabilities in Solvency II balance sheets. This adjustment reflects the fact that the profile of assets held is sufficiently well-matched to the profile of the liabilities, that those assets can be held to maturity, and that any excess return over risk-free (that is not related to defaults) can be earned regardless of asset value fluctuations after purchase.

MAP
Matching Adjustment Portfolio.
A portfolio of assets created to back a certain set of liabilities, which is then eligible for a matching adjustment.

MCR
Minimum Capital Requirement is calculated using a prescribed formula and which is the minimum level of capital below which the amount of financial resources should not fall.

Method 1
Also known as the Accounting Method. A method of solvency consolidation for groups which reflects the underlying information of the in-scope entities. Method 1 is the default method of calculation.

Method 2
Also known as the Deduction & Aggregation method (D&A). A method of solvency consolidation, where approved non-EEA entities' contribution to the Group Solvency II balance sheet is based on the entity's local regulatory basis.

MI
Management information.

Mortality rate
Rate of death, influenced by age, gender and health, used in pricing and calculating liabilities for future policyholders of life and annuity products, which contain mortality risks.

New business margin
Solvency II value added by new business written divided by the present value of new business premiums.

ORSA
Own risk and solvency assessment, also known as the forward-looking assessment of own risks.

Own Funds
The amount of capital available to cover a firm's SCR.

Pension risk transfer (PRT)
PRT represents bulk annuities bought by entities that run final salary pension schemes to reduce their responsibilities by closing the schemes to new members and passing the assets and obligations to insurance providers.

PIM
Partial internal model.

PMC
Legal and General Assurance (Pensions Management) Limited.

PPE
Property, plant and equipment.

PRA
Prudential Regulation Authority was created as a part of the Bank of England by the Financial Services Act (2012) and is responsible for the prudential regulation and supervision of insurance companies in the UK.

QRTs
Quantitative reporting templates. Templates defined by EIOPA for the regular reporting of financial information.

Reconciliation reserve
A Basic Own Funds item, comprising the excess of assets over liabilities, adjusted for other Basic Own Funds items comprising of own shares, foreseeable dividends, restricted Own Fund items, and other non-available Own Funds.

Ring-fenced funds (RFF)
Own Funds that can only be used to cover a particular segment of liabilities or particular risks and cannot be made available to cover liabilities or risks outside the ring-fenced fund.

Risk appetite
The aggregate level and types of risk a company is willing to assume in its exposures and business activities in order to achieve its business objectives.

Risk margin (RM)
The cost of providing funds to cover the Solvency Capital requirements over the lifetime of the associated insurance policies. The approach for calculating the risk margin is prescribed in Solvency II regulations.

SBP
Share bonus plan.

SCR
Solvency Capital Requirement is the amount of capital that insurance and reinsurance undertakings are required to hold and is calibrated to ensure that all quantifiable risks are taken into account in a 1-in-200 year risk event.

SFCR
Solvency and Financial Condition Report.

Solvency coverage ratio
Also known as the capital coverage ratio. The Eligible Own Funds on a regulatory basis divided by the Group Solvency Capital Requirement. This represents the number of times the SCR is covered by Eligible Own Funds.

Solvency II
These are insurance regulations designed to harmonise EU insurance regulation. Primarily this concerns the amount of capital that European insurance companies must hold under a measure of capital and risk. Solvency II became effective from 1 January 2016. The group complies with the requirements established by the Solvency II Framework Directive, as adopted by the Prudential Regulation Authority (PRA) in the UK, and measures and monitors its capital resources on this basis.

Solvency II Delegated Regulation
Commission Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

Solvency II Directive
Directive 2009/138/EC of the European Parliament (Solvency II Directive).

SPV
Special purpose vehicle.

Standard Formula (SF)
A standardised solvency calculation method, not tailored to the individual risk profile of a specific firm. It aims to capture the material quantifiable risks to which most undertakings are exposed.

Surplus
The excess of Eligible Own Funds on a regulatory basis over the Solvency Capital Requirement. This represents the amount of capital available to the company in excess of that required to sustain it in a 1-in-200 year risk event.

Technical provisions (TP)
The sum of the best estimate liabilities and the risk margin.

Transitional Measures on Technical Provisions (TMTP)
This is an adjustment to Solvency II technical provisions to bring them into line with the pre-Solvency II equivalent as at 1 January 2016 when the regulatory basis switched over, to smooth the introduction of the new regime. This will decrease linearly over the 16 years following Solvency II implementation but may be recalculated to allow for changes impacting the relevant business, subject to agreement with the PRA.

Total shareholder return (TSR)
TSR is a measure used to compare the performance of different companies' stocks and shares over time. It combines the share price appreciation and dividends paid to show the total return to the shareholder.

Value-at-risk (VaR)
The estimated loss for a given probability over a one-year period.

Yield
A measure of the income received from an investment compared to the market value of the investment. It is usually expressed as a percentage.