LEGAL & GENERAL GROUP PLC SOLVENCY AND FINANCIAL CONDITION REPORT

31 December 2021

Contents

Summary

This document

This Solvency and Financial Condition Report (SFCR) for Legal & General Group Plc (the group) is a regulatory document required by the reporting and group supervision parts of the PRA Rulebook for Solvency II firms, and Directive 2009/138/EC of the European Parliament (Solvency II Directive) Articles 51 and 256. All values are (unless otherwise stated) as at 31 December 2021.

Who we are

We are not only one of the world's largest asset managers, with assets under management of £1.4tn (2020: £1.3tn) 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 10,000 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.

What we do

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. We help our customers accumulate pensions savings and transform them into the income they need to have a colourful retirement. We use some of our customers' pension assets, as well as the group's shareholder capital, to make long-term investments in assets such as clean energy, housing and SME finance. We are the UK's number one individual life insurance provider and provide 'level-term' 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.

Key area	What we do
Institutional retirement	Legal & General Retirement Institutional (LGRI) is a leading multi-national manager of institutional Pension Risk Transfer (PRT) business
Retail retirement & Insurance	A leading provider of UK retail retirement solutions through Legal & General Retail Retirement (LGRR) and of UK and US life insurance & income protection from Legal & General Insurance (LGI)
Investment management	Legal & General Investment Management (LGIM) manage the assets our clients hold to cover their DB pension scheme liabilities and manage their risk through matching their assets to their liabilities. We are a leading defined contribution (DC) pension manager, aiming to invest DC customers' pension assets to generate returns
Capital investment	Legal & General Capital (LGC) provide an alternative asset origination platform, originating assets for L&G and for third parties, and generating attractive shareholder returns

Our solvency position and performance

The group's key performance and solvency II measures as at 31 December 2021 were:

Measure	2021	2020
Adjusted operating profit (£m)	**2,262**	2,218
Eligible Own Funds (£m)	**17,537**	17,309
Solvency II Regulatory Surplus (£m)	**8,161**	7,429
Solvency II Coverage ratio on a regulatory basis	**187%**	175%

Our commitments to customers are underpinned by a robust balance sheet. Our £89.9bn annuity portfolio has not been materially impacted by the pandemic. Approximately two-thirds of the LGR bond portfolio is A-rated or better with just 1% (£1.2bn) at sub-investment grade. The annuity portfolio's direct investments continue to perform strongly, with 99.8% of scheduled cash-flows paid year to date, reflecting the high quality of our counterparty exposure.

We achieved self-sustainability on the UK annuity portfolio (and for the group as a whole) in both 2020 and 2021, by which we mean that the growing amount of capital generated by the in-force book offsets both the capital investment required to fund new business and the portfolio's contribution to a progressive group dividend. Our asset origination capability gives us optionality to put the higher yielding assets to new business (to benefit pricing/ margins) and/or to the back-book (improving the yield on the portfolio).

The group uses adjusted operating profit as its measure of underwriting performance. The adjusted operating profit of £2,262m (2020: £2,218m) primarily reflects:

- Stable annuity profits driven by strong new business volumes and the consistent performance of the growing annuity portfolio in LGRI with £7.2bn of PRT new business in 2021 at attractive Solvency II margins and operating profit of £1,154m, 51% of total group operating profit;
- LGRR delivered £352m of operating profit with individual annuity volumes of £957m, up 5% and Lifetime mortgage and Retirement Interest Only mortgage advances up £848m, up 7%, as retail markets continued to show recovery;
- LGI operating profit increased 42% to £268m due to strong new business growth in UK Retail Protection supported by a benefit from modelling refinements to the liability discount rate in the UK, partially offset by continuing adverse mortality in the US (in line with US peers).
- Operating profit growth in LGIM of 4% to £422m, reflecting increased revenues from flows and focus on higher margin areas such as thematic ETFs, Multi-asset and Real Assets. LGIM is continuing to grow internationally, with 85% of external net flows originated outside the UK.
- LGC delivered £461m of profit, principally reflecting increased profits from our alternative asset portfolio driven by a bounce-back in the housebuilding market and the continued maturing of our earlier stage businesses (e.g. Pod Point and our VC platforms)

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

The Own Funds incorporates the impacts of a recalculation of the Transitional Measure on Technical Provisions (TMTP) based on 31 December 2021 economic conditions. This recalculation complies with current regulatory requirements to recalculate the TMTP every two years and was approved by the PRA for 31 December 2021. The next recalculation on a regulatory basis will be due on 31 December 2023.

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

Change in Own Funds

Over the reporting period the group's Own Funds on a regulatory basis increased by £228m to £17,537m (2020: £17,309m), reflecting surplus generated by businesses, partially offset by redemption of £300m subordinated debt and payment of the final year end 2020 and interim 2021 dividends totalling £1,063m.

Our governance

The Group 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.

Risk management framework

Our risk management framework supports informed risk taking by our businesses, setting out those rewarded risks that we are prepared to be exposed to 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, on-going assessment of the risks to which the group is 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

The group is exposed to a number of risks through the normal course of its 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 their life insurance protection policies is also important for profitability.

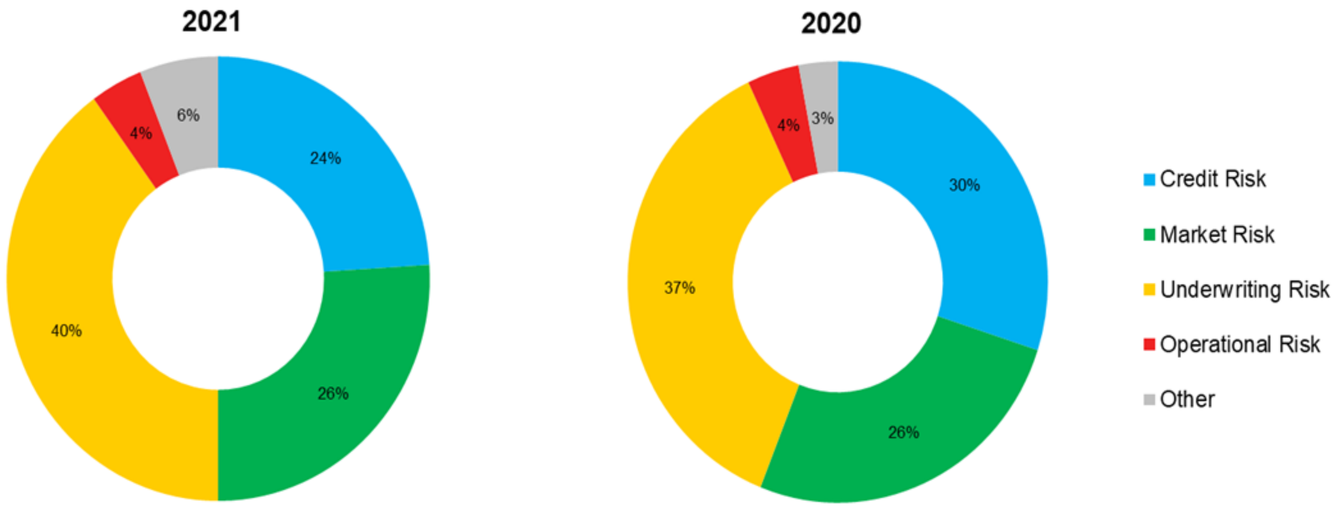
- Investment, credit and counterparty risks from holding portfolios of assets to meet our obligations to our customers and to deliver returns to shareholders; and liquidity risks from contingent events.
- Operational risks in respect of our business processes and IT systems, as well as broader regulatory 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 the group's strategic objectives and ensure continued solvency.

Our risk-based capital model seeks to provide a quantitative assessment of the group'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 Solvency Capital Requirement (SCR) for all of the material Solvency II regulated insurance companies in the group.

The chart below shows a breakdown of the group's 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.25.02.22.

Valuation for solvency purposes

Assets, technical provisions, and other liabilities are valued on the group's Solvency II balance sheet 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 2021 the excess of the group's assets over its liabilities was £13,725m (2020: £12,966m), which is £2,782m higher than the value under IFRS. The difference is 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.

The group has 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, 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 2021 was £4,736m (2020: £5,564m).

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. The group is required to measure and monitor its 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).

The group's SCR as at 31 December 2021 was £9,376m (2020: £9,880m). The SCR has been calculated with the group's approved Internal Model. Further details can be found in Section E.2 Solvency Capital Requirement and Minimum Capital Requirement.

As at 31 December 2021 the group had surplus Own Funds of £8,161m (2020: £7,429m), which gave a capital coverage ratio of 187% (2020: 175%). This buffer ensures that the group has resources over and above what would be needed to meet its insurance obligations after a 1-in-200 year event. In line with our risk management approach, we maintained an appropriate capital buffer throughout the year.

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

(£m)	2021	2020
Excess of assets over liabilities	**13,725**	12,966
Tier 2 subordinated liabilities	**3,995**	4,531
Eligibility restrictions	**(183)**	(188)
Solvency II Own Funds	**17,537**	17,309
Solvency Capital Requirement	**(9,376)**	(9,880)
Solvency II Surplus	**8,161**	7,429
Regulatory capital coverage ratio	**187%**	175%

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 Transitional Measures on Technical Provisions (TMTP) which was recalculated as at 31 December 2021.

In previous years, the capital position was shown on a "shareholder view" in the group Annual Report and Accounts (ARA), where the contribution from the final salary pension schemes was excluded from the group position. The impact of excluding the contribution is now less than 1% and so the results in the ARA, which are on a proforma basis view, include the impact of the final salary pension schemes.

Differences between the regulatory and proforma 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 of financial firms at 31 December, which are excluded from the regulatory own funds. In 2021 the unaudited profits were £24m (2020: £7m).

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

Directors' certificate

Legal & General Group PLC – financial year ended 31 December 2021

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

(a) throughout the financial year to 31 December 2021, 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 2021 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 2022.

Stuart Jeffrey Davies

Group Chief Financial Officer

7 April 2022

Auditors' report

Report of the external independent auditor to the Directors of Legal & General Group Plc ('the Group') pursuant to Rule 4.1 (2) of the External Audit Part of the PRA Rulebook applicable to Solvency II firms Report on the Audit of the Relevant Elements of the Group Solvency and Financial Condition Report

Opinion

Except as stated below, we have audited the following documents prepared by Legal & General Group Plc as at 31 December 2021:

- The 'Valuation for solvency purposes' and 'Capital Management' sections of the Group Solvency and Financial Condition Report of Legal & General Group Plc as at 31 December 2021, ('**the Narrative Disclosures subject to audit**'); and
- Group templates S.02.01.02, S.22.01.22, S.23.01.22, S.32.01.22 ('**the 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 Group Solvency and Financial Condition Report'**.

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

- information contained within the Relevant Elements of the Group Solvency and Financial Condition Report set out about above which are, or derive from the Solvency Capital Requirement, as identified in the Appendix to this report
- The 'Business and performance', 'System of governance' and 'Risk profile' sections of the Group Solvency and Financial Condition Report;
- Group templates S.05.01.02 and S.25.02.22;
- 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 their responsibilities, including for the preparation of the Group 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'**).

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

In our opinion, the information subject to audit in the Relevant Elements of the Group Solvency and Financial Condition Report of Legal & General Group Plc as at 31 December 2021 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) including ISA (UK) 800 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 Group Solvency and Financial Condition Report* section of our report. We are independent of Legal & General Group Plc in accordance with the ethical requirements that are relevant to our audit of the Group Solvency and Financial Condition Report in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – special purpose basis of accounting

We draw attention to the 'Valuation for Solvency II Purposes' and 'Capital Management' and other relevant disclosures sections of the Group Solvency and Financial Condition Report, which describe the basis of accounting. The Group Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. The Group Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the Prudential Regulation Authority. As a result, the Group 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 have prepared the Group Solvency and Financial Condition Report on the going concern basis as they do not intend to liquidate the Group or to cease their operations, and as they have concluded that the Group'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 their ability to continue as a going concern for at least a year from the date of approval of the Group Solvency and Financial Condition Report ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's 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 investments and valuation of policyholder liabilities; and
- severely adverse policyholder lapse or claims experience.

We also considered less predictable but realistic second order impacts, such as the failure of counterparties who have transactions with the group (such as banks and reinsurers), which could result in a rapid reduction of available financial resources.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group's financial forecasts.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the Group Solvency and Financial Condition Report is appropriate; and
- we have not identified, and concur with the directors' assessment 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.

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 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 Committee, internal audit, Group Financial Crime team 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", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board, Audit Committee and Risk Committee minutes;
- considering remuneration incentive schemes and performance targets for management; and
- consulting with professionals with forensic knowledge to assist us in identifying fraud risks based on discussions of the circumstances of the Group.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group to component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group.
As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as valuation of best estimate liabilities and the valuation of hard to value (level 3) investments.
We also identified fraud risks related to the valuation of best estimate liabilities and valuation of hard to value (Level 3) investments in response to possible pressures to meet profit and solvency targets.
We also performed procedures including:

- procedures over the valuation adjustments between the IFRS financial statements and the Solvency II balance sheet;
- 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 Group Solvency and Financial Condition Report from our general commercial and sector experience through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's 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 to full-scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the group team any instances of non-compliance 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 Group Solvency and Financial Condition Report varies considerably.

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

Secondly, the Group is 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 Group Solvency and Financial Condition Report, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: listing rules, regulatory capital and liquidity requirements and certain aspects of company legislation recognising the financial and regulated nature of the group's activities and certain regulated subsidiaries. Auditing standards limit the required audit procedures to identify non-compliance 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.

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 Group 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 Group 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 are responsible for the Other Information.

Our opinion on the Relevant Elements of the Group 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 Group 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 Relevant Elements of the Group 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 Relevant Elements of the Group 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 for the Group Solvency and Financial Condition Report
The Directors are responsible for the preparation of the Group Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA rules and Solvency II regulations which have been modified by the modifications, and supplemented by the approvals and determinations made by the PRA under section 138A of FSMA, the PRA Rules and Solvency II regulations on which they are based.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Group Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error; 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 operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the information subject to audit in the Relevant Elements of the Group Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the Relevant Elements of the Group 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
The Group has authority to calculate its Group Solvency Capital Requirement using a partial internal model ("the Model") approved by the Prudential Regulation Authority in accordance with the Solvency II Regulations. In forming our opinion (and in accordance with PRA Rules), we are not required to audit the inputs to, design of, operating effectiveness of and outputs from the Model, or whether the Model is being applied in accordance with the Group's application or approval order.

Report on Other Legal and Regulatory Requirements

Sectoral Information

In our opinion, in accordance with Rule 4.2 of the External Audit Part of the PRA Rulebook 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 Legal & General Group Plc's statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

This report of the external auditor is made solely to the Group's directors, as its governing body, 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 Group's 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 Group, 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 Group's 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 Group through its governing body, for our audit, for this report, or for the opinions we have formed.

Rees Aronson

Rees Aronson (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
Canary Wharf,
London, E14 5GL
7 April 2022

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

Group internal model

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

- The following elements of Group template S.02.01.02:
  - Row 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’.

A. Business and performance

A.1 BUSINESS

A.1.1 COMPANY DETAILS

This report is prepared in respect of Legal & General Group Plc (the group) for the financial year ended 31 December 2021.

The Company	Legal & General Group Plc 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

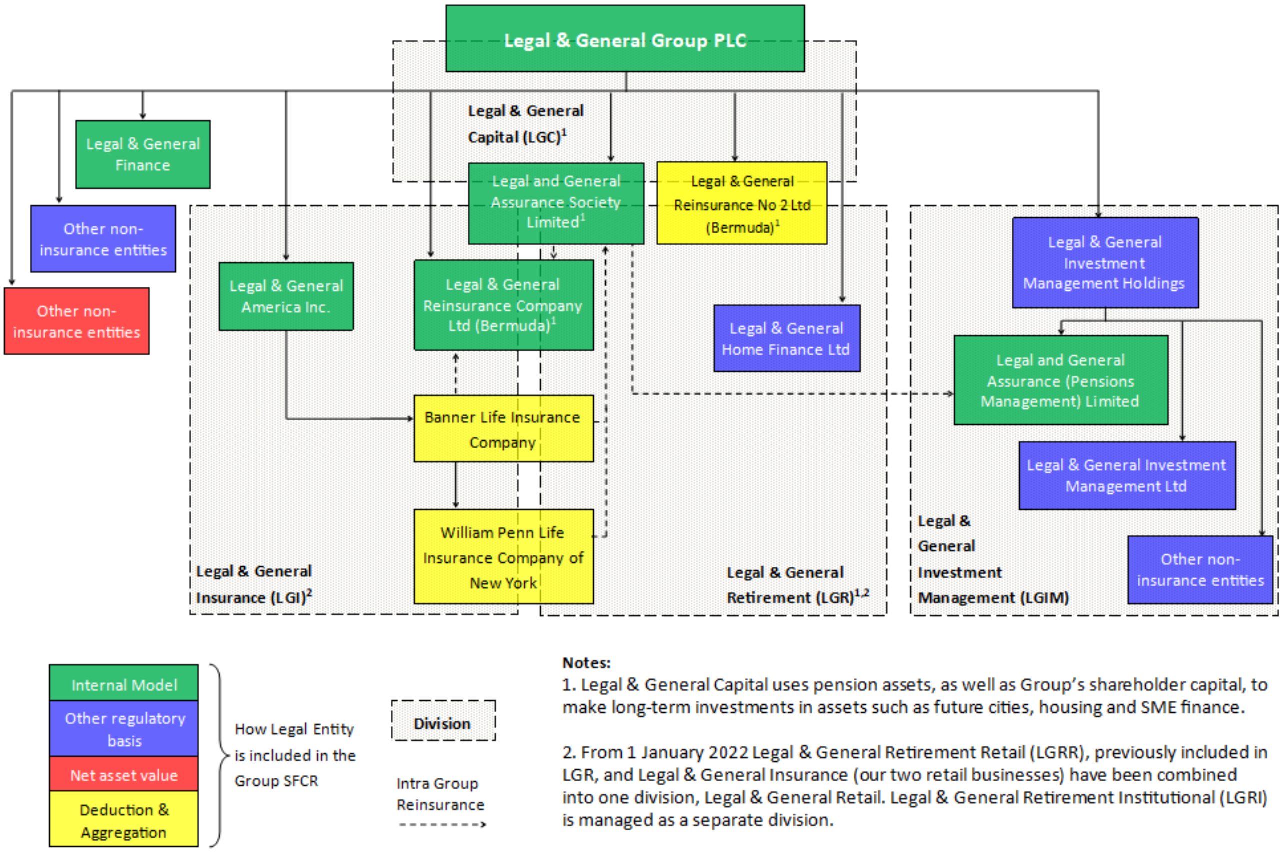
A.1.1.1 QUALIFYING HOLDINGS

The group has issued 5,970,415,817 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.

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.

Diagram 1: Division and Entity overview



A.1.2 MATERIAL RELATED UNDERTAKINGS

The particulars of the group's subsidiaries as at 31 December 2021 are listed in the Quantitative Reporting Template (QRT) S.32 in Annex 1 of this document. 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 (LGRe)	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 & GENRERAL RETIREMENT (LGR)

LGR comprises two businesses, LGR Institutional (LGRI), which transacts worldwide pension risk transfer business including longevity insurance and LGR Retail (LGRR), which transacts individual retirement business and lending, as well as financial advice and care sourcing. In 2021, management of the Workplace Savings business has transferred from LGIM to LGRR, where it complements their retirement solutions offering and retail customer focus. The change in reporting structure has no impact on the profit or loss, or net assets, of the Company.

As of 1 January 2022, LGRR and LGI (our two retail businesses) have been combined into one division, Legal & General Retail. This division will cover the savings, protection and retirement needs of our c12 million retail policyholders and workplace members.

Business is written through Legal and General Assurance Society Limited in the UK, William Penn Life Insurance Company of New York and Banner Life Insurance Company in the US, Legal & General Reinsurance Company Limited and Legal & General Reinsurance No.2 Limited in Bermuda. Lifetime mortgages are written in Legal & General Home Finance Limited.

A.1.3.1.1 ANNUITIES

Annuity products provide guaranteed income for a specified time, usually the life of the policyholder, in exchange for a lump sum capital payment. Immediate and deferred annuity contracts are offered. Immediate annuities provide a regular income stream to the policyholder, purchased with a lump sum investment, where the income stream starts immediately after the purchase. The income stream from a deferred annuity is delayed until a specified future date. Pension Risk Transfer (PRT) solutions are also offered, where the group accepts the assets and liabilities of a company pension scheme or a life fund, predominantly for UK clients, but also for US, Canadian, Dutch and Irish clients. The group also offers products for individuals that provide a guaranteed level of

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

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.

The group has written in both 2020 and 2021 an Assured Payment Policy (APP) which is a long term contract 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.1.3.1.2 LONGEVITY INSURANCE CONTRACTS

The group 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. The value of these guarantees is currently immaterial.

A.1.3.1.3 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.

The group also offers Retirement Interest Only (RIO) mortgage, 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.
- The borrower only has to prove that 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.1.3.1.4 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.1.3.1.5 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. This business was transferred to LGRR at the beginning of 2021.

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, Chicago and increasingly internationally on behalf of pension funds, institutional clients, sovereign wealth clients, retail funds and subsidiary companies within the group. Legal and General Assurance (Pensions Management) Limited (PMC) is the Solvency II regulated entity within the LGIM division. LGIM also manages workplace pensions written in Legal and General Assurance Society Limited (LGAS). This business was transferred to LGRR at the beginning of 2021. The core asset classes 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.

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 includes 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)

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.

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. An allocation strategy service is also offered to institutional clients, which may also allocate some of the portfolio to managers other than LGIM.

A.1.3.2.5 REAL ASSETS

A range of pooled or segregated real estate funds for both UK and overseas investors, offered via a mixture of pooled funds, specialist funds and partnerships. The business is based around in-house sector specialists with a dedicated research team.

A.1.3.3 LEGAL & GENERAL CAPITAL (LGC)

LGC creates assets that generate returns for pensions and invests the Group's capital, benefitting society through socially responsible investing in housing, urban regeneration, clean energy and small and medium size enterprise (SME) financing.

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 performance benchmarks, 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 create revenue-generating direct investments in sectors where there are significant funding shortfalls, namely housing, infrastructure (including urban regeneration and clean energy) and SME finance. LGC employs capital and sector expertise to target attractive risk-adjusted returns.

A.1.3.4 LEGAL & GENERAL INSURANCE (LGI)

The LGI business comprises:

- UK retail and group life insurance, critical illness cover and income protection, written in Legal and General Assurance Society Limited; and
- US protection and universal life business, written in William Penn Life Insurance Company of New York and Banner Life Insurance Company; and
- Fintech business

A.1.3.4.1 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 would usually be 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.1.3.4.2 US UNIVERSAL LIFE

Universal life contracts written by 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.

A.1.4 SIGNIFICANT BUSINESS OR OTHER EVENTS

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 will cover the savings, protection and retirement needs of our c12 million retail policyholders and workplace members.

A.2 UNDERWRITING PERFORMANCE

We consider IFRS adjusted operating profit to be a good measure of the group's underwriting performance. This is the key metric used to manage our business.

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, 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) are excluded from 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 operating profit.

The group's 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.

The majority of the group's business is written in the UK and US.

A.2.1 OPERATING PROFIT BY DIVISION

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)	**2021**	2020
From continuing operations		
Legal & General Retirement (LGR)	**1,506**	1,728
- LGR Institutional (LGRI)	1,154	1,331
- Legal & General Retirement (LGRR)[1]	352	397
Legal & General Investment Management (LGIM)[1]	**422**	407
Legal & General Capital (LGC)	**461**	275
Legal & General Insurance (LGI)	**268**	189
- UK and Other	320	205
- US	(52)	(16)
Adjusted operating profit from continuing operations	**2,657**	2,599
Adjusted operating profit from discontinued operations[2]	**-**	34
Adjusted operating profit from divisions	**2,657**	2,633
Group debt costs[3]	**(230)**	(233)
Group investment projects and expenses	**(165)**	(155)
Covid-19 costs[4]	**-**	(27)
Adjusted operating profit	**2,262**	2,218

1. LGRR includes the Workplace Savings business which was previously reported in LGIM. Prior year comparatives have been restated to reflect the change in reporting structure.
2. In 2020, discontinued operations included the results of the Mature Savings division, the sale of which completed on 7 September 2020.
3. Group debt costs exclude interest on non-recourse financing.
4. Covid-19 costs reflected incremental operational expenses incurred as a result of Covid-19.

Legal & General Retirement Institutional (LGRI)

LGRI continues to deliver strong operating profit of £1,154m (2020: £1,229m). Profit was underpinned by the performance of our growing annuity portfolio and robust pension risk transfer (PRT) new business volumes.

We have not recognised an explicit release from adopting CMI 2019, given the uncertainty in the data created by the pandemic. We anticipate any resulting additional prudence in the longevity assumptions will be released through experience variances over the next 2-3 years until we have more certainty and clarity over the data. In 2020 we conservatively adopted an adjusted version of the CMI 2018 mortality tables for LGRI's annuity book, resulting in a £102m reserve release.

Release from operations increased 4% to £512m (2020: £492m), reflecting the scale of the business as prudential margins unwind from LGRI's growing £89.9bn annuity portfolio (2020: £87.0bn).

Net release from operations was £705m (2020: £712m) with new business surplus of £193m (2020: £220m), reflecting successful execution, coupled with a disciplined approach to new business.

During 2021 we wrote £5,315m of UK PRT which, combined with an Assured Payment Policy of £925m and £957m of individual annuities written in LGRR, delivered a 9.1% UK Solvency II new business margin (2020: 10.6%, 2019: 7.9%). This is a strong result: 2020 benefitted from wider credit spreads and good asset sourcing during the pandemic, as well as longer duration schemes. UK PRT volumes were written at a capital strain of less than 4%.

Gross longevity exposure was £89bn across LGRI and LGRR's annuity and longevity insurance businesses. We have reinsured £39.4bn of longevity risk with sixteen reinsurance counterparties, leaving a net exposure of £49.6bn. The reinsurance market continues to grow and innovate, and we expect it to continue to offer sufficient capacity to meet the demand from insurers.

Legal & General Retirement Retail (LGRR)

LGRR operating profit increased 9% to £352m during 2021 (2020: £322m), driven by the ongoing release from operations, positive mortality experience due to the continued tragic impact of Covid-19, and routine updates to our valuation assumptions.

Release from operations was £227m (2020: £193m), an increase of 18%, reflecting the unwind of prudential margins from the annuity portfolio and increasing administration fees from the growth in workplace assets.

Net release from operations was £254m (2020: £235m) with new business surplus of £27m (2020: £42m). The annuity new business surplus reduced from the level seen last year due to competitive market pricing.

Legal & General Investment Management (LGIM)

Operating profit increased by 4% to £422m (2020: £407m), reflecting increased revenues from flows, favourable business mix and disciplined cost management.

Assets under management increased by 11% to £1,421.5bn (2020: £1,278.9bn), benefitting from strong external net flows of £34.6bn (2020: £20.4bn).

Revenues increased by 6% to £1,012m (2020: £956m), supported by growth in higher-margin areas including thematic Exchange Traded Funds (ETFs) and Multi-asset. Our strengths in Environmental, Social and Governance (ESG) led to several ESG mandate wins in 2021, including transitioning over £3bn of an institutional client's assets to a new range of Paris-aligned benchmarks. We have continued to see good flows into our ESG products. Overall revenue growth was lower than AUM growth, as average AUM (which drives revenues) grew more modestly as a result of the sharp rise in interest rates in the first half of the year.

The cost income ratio of 58% reflects our careful cost control as we continue to invest in the business.

Legal & General Capital (LGC)

LGC operating profit increased 68% to £461m (2020: £275m). This growth principally reflects increased profits from our alternative asset portfolio of £350m (2020: £112m) as a result of a bounce-back in the housebuilding market and the continued maturing of the underlying investments in our clean energy and venture capital portfolios. Operating profit from the traded & treasury portfolio decreased to £111m (2020: £163m), primarily driven by the continued sell down of listed equities to fund the increasing expansion of the alternative asset portfolio.

Profit before tax was £480m, driven by investment and other variances of £19m, compared to a loss of £(299)m in 2020, which reflects the rebound in alternative asset portfolio profits and equity market performance, partially offset by early-stage development costs.

Our growing alternative asset portfolio achieved a net portfolio return of 8.5% (2020: (4.0)%). In line with our business model, we expect to deliver a net portfolio return of 8-10%, growing to 10-12% by 2025, as our early-stage businesses continue to mature.

Legal & General Insurance (LGI)

During 2021, LGI operating profit increased 42% to £268m (2020: £189m), reflecting strong new business growth and modelling refinements to the liability discount rate in UK retail protection.

This was partially offset by adverse US mortality experience. Covid-related claims in the US reached approximately $189m, significantly exceeding the $82m provision set up at year end 2020. This experience has extended into 2022 and is consistent across the US life sector. In addition, adverse non-Covid claims impacted the industry during the year. Our 2021 result includes a £57m provision for potential Covid impacts in the US and UK in 2022.

Honouring our promises and responding quickly and compassionately to our customers' needs is core to our values at Legal & General. LGI is especially aware of the importance of our commitments to our customers: we paid £2.1bn of protection claims during the year.

Profit before tax was predominantly impacted by the formulaic change in LGI's discount rates. LGI's positive investment variance of £111m was driven primarily by an increase in UK and US government bond yields at shorter durations which have resulted in a higher discount rate used to calculate the reserves. The negative impact seen in 2020 has only been partly reversed as yields at longer durations have remained broadly flat year on year.

Solvency II New Business Value increased by £8m to £262m, up £15m to £269m on a constant currency basis (2020: £254m). UK New Business Value of £149m is supported by strong volumes in Retail Protection, but is £12m lower than prior year (£160m) due to lower volumes in Group Protection, margin pressure in Retail Protection caused by pricing action, and movements in product mix. New Business Value for US Protection was $155m, up 29% on 2020 ($120m) driven by sales growth of 20% and margin growth from favourable business mix.

A.3 INVESTMENT PERFORMANCE

Investment performance is reported by the group as investment return in our 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. Investment return arising in respect of Mature Savings in 2020 (including the profit on disposal) is included in the total profit on discontinued operations.

The total investment return as reported in the group financial statements in 2021 was £35,927m (2020: £39,168m, excluding discontinued operations). 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 actual investment income, gains and losses split by Solvency II asset class and the components of such income and expense (including discontinued operations).

Investment return (£m)	Income 2021	Gains and losses 2021	Income 2020	Gains and losses 2020
Debt securities	1,900	(2,292)	2,045	4,296
Equities[1]	1,466	701	1,449	10,788
Assets held for index-linked and unit-linked contracts	6,338	27,529	6,038	13,018
Derivatives	-	(194)	-	408
Other financial investments	165	314	188	61
Total	**9,869**	**26,058**	9,720	28,571

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 with the group's Annual Report & Accounts.

A.3.2 INVESTMENTS IN SECURITISATION

The group holds securitisations with a market value of £1.7bn as at 31 December 2021 (2020: £1.7bn), of which £0.3bn (2020: £0.4bn) is held for index linked and unit linked contracts. Mortgage-backed securities and asset-backed securities amounted to £1.1bn and £0.6bn (2020: £1.1bn and £0.6bn) respectively.

A.4 PERFORMANCE OF OTHER ACTIVITIES

Other material income includes:

- Fees from fund management and investment contracts £959m (2020: £873m)
- Other operational income £1,593m (2020: £820m)

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:

£m	2021	2020
Acquisition costs[1]	**825**	617
Finance costs	**294**	305
Staff costs	**1,014**	960
House building costs	**1,072**	643
Other administrative expenses	**1,022**	630
Total	**4,227**	3,155

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.

B. System of Governance

B.1 GENERAL INFORMATION OF THE SYSTEM OF GOVERNANCE

B.1.1 THE STRUCTURE OF THE BOARD

The Group Board of Legal & General 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 2021 comprised two Executive Directors (the Group Chief Executive Officer and the Group Chief Financial Officer) and seven 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 continuing business divisions are:

- Legal & General Retirement (Institutional)
- Legal & General Retirement (Retail)
- Legal & General Investment Management
- Legal & General Capital
- Legal & General Insurance

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 will cover the savings, protection and retirement needs of our c12 million retail policyholders and workplace members.

B.1.2 DELEGATED AUTHORITIES

The 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.

The minutes of each of the 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 onward delegate 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.

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)
- Legal and General Assurance (Pensions Management) Limited (PMC)

The Legal and General Assurance Society Limited is the regulated entity through which the majority of the group's 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 manages the pooled investment funds of third-party pension scheme assets. The board of PMC reports in to 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 • 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 were £109m (2020: £137m) 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 Group Board Risk Committee (GRC). The Group Board Audit Committee establish 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).

The Group CRO has 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 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
- 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

From time to time, 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 Conduct Risk and 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 Chief Risk Officer (Group 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 that we may be exposed to 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 group's risk appetite statement sets out our overall attitude to risk, and the ranges and limits of acceptable risk taking. The Group Board's Risk Committee (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.

B.3.1.2 RISK TAKING AUTHORITIES

The parameters of acceptable risk taking defined within the group'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.

The Group CRO also provides 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 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.

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 Board:

- Owns the overall Risk Management framework;
- Owns the group's risk appetite statements; and
- 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 Audit Committee, 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-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.

The Group Board is 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 Board in July 2021. The last group ORSA report was approved by the GRC on behalf of the Group Board in February 2022.

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 Internal Model Committee (GIMC) oversees Internal Model activities. The overall appropriateness and effectiveness of the Internal Model depends upon the effective operation of the group'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 GIMC 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 Internal Model Committee (GIMC)	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 2021. 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 GIMC 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 Board 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 Board 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's 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's Solvency II Compliance Plan that details the activities the function will undertake in relation to compliance risk.

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

The group has defined the Group Chief Risk Officer 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 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 also supports Group 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's 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 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 Board, through the Group Audit Committee, 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.

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 Group Chief Internal Auditor reports functionally to the Chair of the Group Audit Committee and administratively to the Group Chief Executive Officer.

The Internal Audit activity remains free from interference by anyone within the group. 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 Group Chief Internal Auditor 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. Legal & General America (LGA) and Legal & General Reinsurance (LG Re) have their own actuarial team 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 TPs 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 subsidiary boards on the data, models, methodologies, assumptions and results of the Solvency II TPs calculations.

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 Actuary has 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 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. 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 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. The group'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 (reports to the GRC) undertakes an annual review of the group's risk management framework and broader system of governance to confirm its adequacy given the nature, scale and complexity of the risks inherent in its business. The most recent review was in February 2022, where the Committee concluded that the group's risk framework aligns with the group's key risk exposures, and operated effectively during 2021 in identifying material risk exposures.

B.8.2 SENIOR MANAGERS AND CERTIFICATION SCHEME

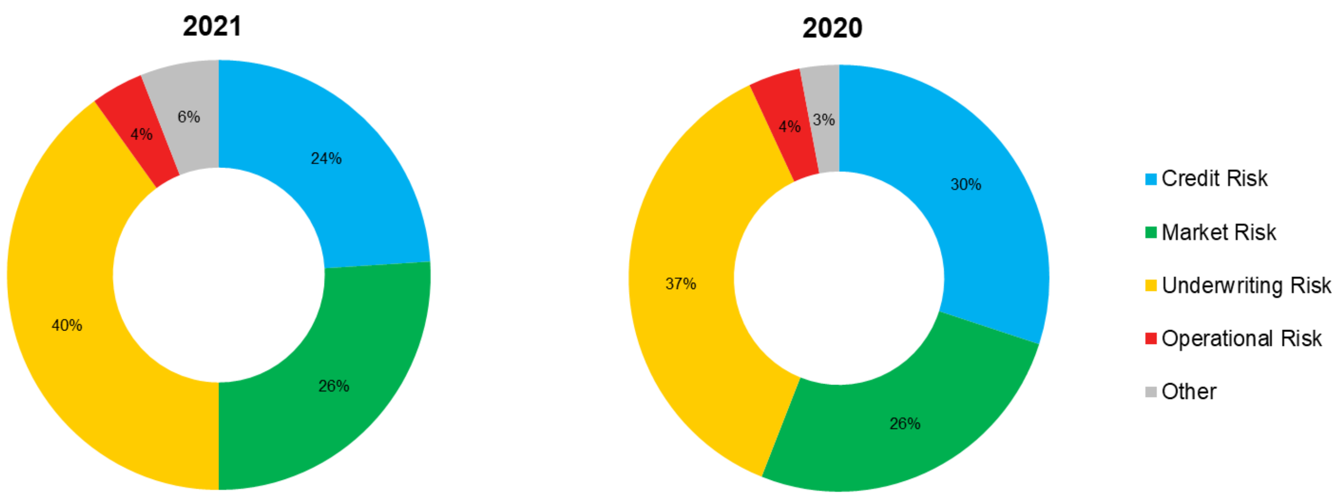
In line with requirements of the Senior Managers and Certification Regime, which was introduced from 10 December 2018, the Group has implemented a framework identifying material risk takers, the annual certification of senior managers of prescribed functions, prescribed responsibilities, individual accountability,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

C. Risk Profile

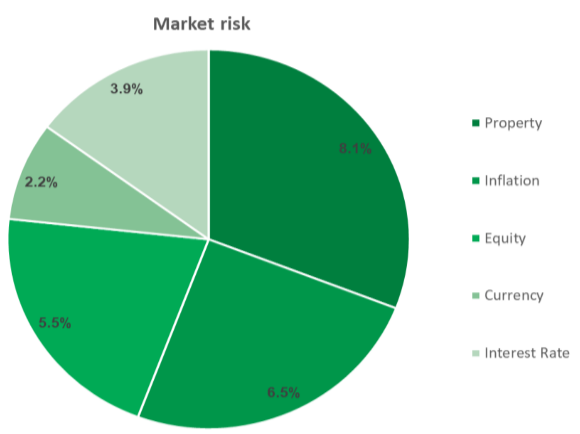
Measures used to assess risks

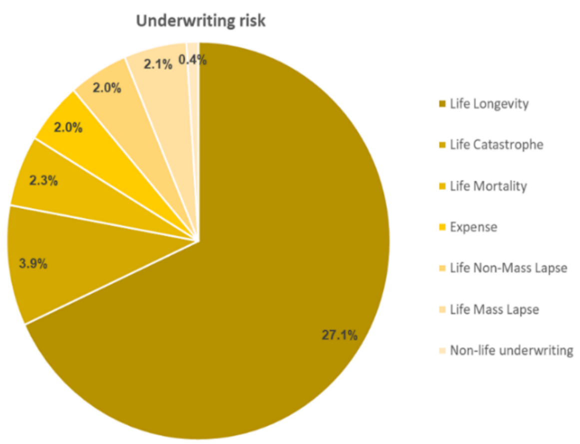
Our risk-based capital model (the Internal Model) seeks to provide a quantitative assessment of the group's risk exposures. It forms part of the suite of tools that we use to evaluate our strategic plans, set risk appetite, allocate capital and evaluate product pricing. We also use our capital model 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 insurance (longevity) risks remain our most significant risks. Market risk, 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 2021 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.

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 risk appetite for credit and market risk is set in accordance with the Prudent Person Principle. Group credit risk, market risk and asset liability matching 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's Investment and Market 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

The group is 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 is 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.	LGI	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.	LGR	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.	LGI	The pricing basis for protection business includes provision for policy lapses. The persistency assumption for non-participating protection business allows for the expected pattern of persistency, adjusted to incorporate a margin for adverse deviation. Actual trends in policy lapse rates are monitored with adverse trends 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	LGR and LGI	In determining pricing assumptions, account is taken of changes in price indices and the costs of employment, with stress testing used to evaluate the effect of significant deviations. Actual product servicing costs are

experience could reduce product profitability.		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.	LGI	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.	LGI	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. As in the current pandemic, we can update the pricing for new business to reflect the change in expected claims. The provision for future Covid-19 claims relies on assumptions about the future developments of the pandemic, including the impact of new variants, vaccines, social distancing and treatment, all of which could result in a higher or lower loss than assumed.

C.1.2 INSURANCE SPECIAL PURPOSE VEHICLES (SPVS)

The group has 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. However, there are potentially material correlations of insurance risk with other types of risk exposure. The group'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 between 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 is 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 is 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.	LGR, LGC and LGI	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.	Unit linked	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.	LGR	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	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

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.		the risk, such as fixed price construction contracts, forward sales and pre-letting. These businesses can also benefit from flexible funding arrangements available from the group.
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.	LGR, LGC and LGI	To mitigate the risk of loss from currency fluctuations, currency swaps and forwards are used to hedge exposures to corporate bonds 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.	LGR	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 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.	LGR, LGI 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.

C.2.2 RISK CONCENTRATION AND MANAGEMENT

The group holds 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 is exposed:

Principal risks	Product/ Division	Controls to mitigate the risk
Bond default risk		
A significant portfolio of corporate 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.	LGR and LGI	Portfolio level and specific issuer limits are set by financial strength rating, sector and geographic region to limit exposure to a default event. Issuer limits are regularly reviewed to take account of changes in market conditions, sector performance and the re-assessment of financial strength by rating agencies and the group's own internal analysis. Exposures are monitored relative to limits. Financial instruments are also used to mitigate the impact of rating downgrades and defaults. If appropriate, actions are taken to trade out investments at risk of default.
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. The group is 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.	LGR and LGI	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 property lending and sale and leaseback investments. We are inherently exposed to the risk of default by a borrower or tenant.	LGR and LGC	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 and confirm that any risk of default has been appropriately mitigated. We also 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.	LGR, 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. The group can be exposed to concentrations of credit risk within the portfolio 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 manages the credit concentration risk by setting quantitative limits on maximum exposures to counterparties. The Group Credit Risk Committee (GCRC) 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 GCRC, 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, 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's exposure to liquidity risk primarily arises from contingent events including pandemic mortality, weather events and cash flow timing differences, such as claims due to policyholders and other operational cash flows. The group is 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 is 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.	LGI 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 the group operates 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 to cover contingent liquidity requirements arising from more extreme events and where investment assets may not be readily realisable.
Collateral liquidity risk		
Within the annuities business, 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.	LGR, LGC and Group	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 2021, LGR 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.	LGR 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. The group, however, sets limits on 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 does not seek exposure to liquidity risk as a part of its business model but accepts that exposure to liquidity risk can arise as a consequence of the markets in which it operates, the products that it writes 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 2021, the group had £3,596m (2020: £3,616m) of cash and cash equivalents in shareholder funds and a £1.0bn syndicated committed revolving credit facility in place, provided by a number of its key relationship banks, maturing in December 2024.

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 the liquidity stress testing is performed monthly or more frequently if needed. 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 Group Treasury function works with the business divisions to ensure that, at a local and entity level, businesses have developed and implemented their own liquidity risk framework and models, based on the assumptions and processes set out in the Group Liquidity Risk Policy. 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 was £2,502m as at 31 December 2021 (2020: £2,397m).

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) 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.

C.6 OTHER MATERIAL RISKS

The developments in 2021 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).

In seeking a comprehensive understanding of longevity we are evaluating how Covid-19 will impact wider trends in life expectancy. In our protection business, as part of our continuous evolution of our underwriting capabilities, we are seeking to ensure we fairly assess Covid-19 as a risk factor and that our reserves remain appropriate. 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. Although vaccines have had a significant effect in reducing mortality rates from the most recent variant of Covid-19, uncertainty remains to future virus mutations and their virulence, the long term efficacy of vaccines and the effects of 'long Covid' on morbidity.

As described above the group is exposed to market and credit risk and has strong mitigants in place to manage these risks. In 2021, markets have been extremely volatile as the scale and impact of the Covid-19 outbreak on the global economy has started to emerge. The sensitivities in Section C7.1 provide an indication of the impact of market movements on the Solvency II coverage ratio of the group. 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 more adverse impact on the coverage ratio of the group.

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

The UK's exit from the EU
As a business our customer base is largely in the UK, US and Asia. We therefore have limited direct exposure to the EU should the UK's financial services regime not be assessed as equivalent by the EU. Our base in Ireland enables us to continue to support our investment management business's European institutional clients.

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's Solvency II surplus as at 31 December 2021 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.

Risk	Description	Impact on net of tax capital surplus as at 31 Dec 2021 (£bn)	Impact on Solvency II coverage ratio as at 31 Dec 2021 (%)
CREDIT	Credit spreads widen by 100bps assuming a level addition to all ratings[1]	0.7	14
	Credit spreads widen by 100bps assuming an escalating addition to all	0.6	13
	Credit spreads narrow by 100bps assuming a level addition to all	(0.7)	(15)
	Credit spreads narrow by 100bps assuming an escalating addition to all	(0.6)	(14)
	Credit spreads of sub investment grade assets widen by 100bps assuming a level addition to ratings[1,3]	(0.4)	(7)
	Credit migration[4]	(0.9)	(10)
MARKET	15% fall in property markets[5]	(0.8)	(7)
	15% rise in property markets[5]	0.8	7
	25% fall in property markets[5]	(1.4)	(13)
	25% fall in equity markets[6]	(0.5)	(3)
	25% rise in equity markets[6]	0.5	3
	100bps decrease in risk free rates[7,8]	(1.3)	(22)
	100bps increase in risk free rates[7]	0.9	19
	50bps decrease in risk free rates[7,8]	(0.6)	(10)
	50bps increase in gilt spreads over PRA risk free rates	(0.0)	0
	50bps increase in future inflation expectation[7]	(0.0)	(2)
	GBP exchange rates fall by 25%	0.9	8
UNDER-WRITING	Substantially reduced risk margin[9]	0.6	7
	1% increase in annuitant base mortality[10]	0.2	2
	1% decrease in annuitant base mortality[10]	(0.2)	(2)
	10% increase in maintenance expenses[11]	(0.3)	(3)

1. The spread sensitivity applies to the group's corporate bond (and similar) holdings, with no change in long-term default expectations, post management actions. 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 2bps as the group holds only 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 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 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 has reviewed all material risks and continues 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.

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.

(£m)	2021	2020
IFRS equity	**10,943**	9,966
Solvency II excess of assets over liabilities	**13,725**	12,966
Difference	**2,782**	3,000

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

As at 31 December 2021 (£m)	Ref	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**

As at 31 December 2020 (£m)	Ref	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	(91,139)	(7,121)	(4,390)	(102,650)
Technical provisions	D.2	-	6,391	8,768	15,159
Other liabilities	D.3	91,127	1,010	(1,646)	90,491
Net increase/(decrease)		(12)	280	2,732	3,000

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:

- on a going concern basis;

[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.

- 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.

Under IFRS, held for sale assets and liabilities (as defined under IFRS 5) are valued at the lower of carrying amount and fair value less costs to sell and may therefore need to be revalued to fair value in the Solvency II balance sheet, in accordance with Article 75.

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 reduction in net assets of £23m (2020: £12m) 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 2021 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

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 an increase in net assets of £197m (2020: £280m) 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 £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 2021 under Solvency II are £488,003m (2020: £467,915m) compared to the total value of assets under IFRS of £582,638m (2020: £560,565m).

As at 31 December (£m)	**Reference**	**2021**	2020
IFRS Valuation of Assets		**582,638**	570,565
Solvency II Valuation of Assets		**488,003**	467,915
Difference		**(94,635)**	(102,650)
Explained by:			
Differences in the consolidation approach		**(82,141)**	(91,139)
Conversion to aggregation under the D&A method		**(7,853)**	(7,121)
Solvency II valuation differences	D.1.1	**(4,641)**	(4,390)
Total		**(94,635)**	(102,650)

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 2021 (£m)	**Reference**	**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)**

Assets as at 31 December 2020 (£m)	Reference	Solvency II	IFRS	Variance	Differences due to IFRS valuation differences
Deferred acquisition costs and Goodwill	D.1.1.1	-	114	(114)	(114)
Intangible assets	D.1.1.1	-	329	(329)	(307)
Deferred tax assets		2	5	(3)	-
Property, plant and equipment held for own use		37	277	(240)	-
Investments (other than assets held for index-linked and unit-linked contracts)		182,163	115,026	67,137	(36)
Property (other than for own use)		*29*	*4,669*	*(4,640)*	-
Holdings in related undertakings, including participations		*89,916*	*289*	*89,627*	*(36)*
Equities		*307*	*1,046*	*(739)*	-
Bonds		*69,253*	*84,303*	*(15,050)*	-
Collective investments undertakings		*2,083*	*2,041*	*42*	-
Derivatives		*20,410*	*20,936*	*(526)*	-
Deposits other than cash equivalents		*165*	*1,742*	*(1,577)*	-
Assets held for index-linked and unit-linked contracts		269,644	430,493	(160,849)	-
Loans and mortgages	D.1.1.2	7,445	6,166	1,279	283
Reinsurance recoverables	D.1.1.3	631	6,939	(6,308)	(4,551)
Deposits to cedants		787	-	787	-
Insurance and intermediaries receivables		76	76	-	-
Reinsurance receivables	D.1.1.5	376	73	303	335
Receivables (trade, not insurance)		6,247	7,736	(1,489)	-
Cash and cash equivalents		507	1,152	(645)	-
Any other assets, not shown elsewhere		-	2,179	(2,179)	-
Total Assets		467,915	570,565	(102,650)	(4,390)

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. This results in a £94m (2020: £114m) valuation difference arising on DAC and Goodwill.

For intangible assets the difference was £365m (2020: £329m), of which £38m (2020: £22m) arises from the Deduction and Aggregation treatment, with the balance of £327m (2020: £307m) reflected as a valuation difference.

D.1.1.2 LOANS AND MORTGAGES

The group has 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 £313m (2020: £283m) 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 has reduced by £6,628m (2020: £6,308m) under Solvency II. Of this, £1,722m (2020: £1,757m) 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 £4,906m (2020: £4,551m) is primarily driven by the different valuation methodology in calculating Technical Provisions.

D.1.1.4 HOLDINGS IN RELATED UNDERTAKINGS, INCLUDING PARTICIPATIONS

The 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 £38m (2020: £36m).

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 £411m (2020: £335m) 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 the group acts 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.

The group acts as a lessor for a number of properties accounted for as finance leases. These leases which have a weighted average duration to maturity of 31 years as at 31 December 2021 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 £169m (2020: £173m).

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.

D.1.2 VALUATION UNCERTAINTY

The group values its 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 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 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.

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

Climate risk

The group's asset portfolio 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 are minimised in the direct investment portfolio through rigorous assessment of potential investments, particularly in ensuring there is low susceptibility to extreme weather events. The group monitors the carbon intensity of the investments held at a portfolio level to help understand the environmental impact and reduce high carbon intensive investments in the future. Further detail can be found in our Climate Report (TCFD).

The group's assets are valued, where possible, using standard market pricing sources or appropriately qualified external valuers and therefore reflect current market sentiments in respect of 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 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)**

Technical provisions as at 31 December 2020 (£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	36	503	75,102	341,274	416,915
Risk Margin	1	2	5,955	106	6,064
Transitional Measure on Technical Provisions	-	-	(5,564)	-	(5,564)
Technical provisions total	37	505	75.493	341,380	417,415
IFRS	71	848	88,111	343,544	432,574
IFRS to SII BEL variance	(35)	(345)	(13,009)	(2,270)	(15,659)
IFRS to SII TP variance	(34)	(343)	(12,618)	(2,164)	(15,159)

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

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). Future management actions are allowed for, where these are deemed to be objective, realistic and verifiable. 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 (LGR)

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. The group has 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 LGR is not assumed to be ring fenced for the purpose of the Risk Margin calculation.

D.2.1.1.2 LEGAL & GENERAL INSURANCE (LGI)

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 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 WORKPLACE SAVINGS

Best Estimate Liabilities (BEL)
Deterministic valuation techniques are used, in line with the methodology described above.

For unit-linked business, the total BEL is split by unit and non-unit components.

Risk Margin (RM)
The RM capital requirement is projected forward for each future year over the run-off of the business. The RM capital requirement is estimated using appropriate proxy carrier variables, e.g. percentage of BEL.

D.2.1.1.4 UNIT-LINKED

Best Estimate Liabilities (BEL)
For valuation purposes, all unit-linked contracts are treated as single premium policies and projected cash flows assume no future premium payments accordingly.

The BEL for the unit-linked business is 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 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 use a continuously compounding version of this rate.

The group has 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 has 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.

- Annuitant mortality, spouse demography and late retirement assumptions have been updated to reflect the most recent experience, and annuitant mortality trend assumptions have been updated to the CMI 2019 model, with no change to the long-term improvement rates. In total, these changes led to a reduction in BEL of £530m gross of reinsurance, £150m net of reinsurance).
- Unit Cost expense assumptions were updated to reflect the latest expectations for future expense levels and future expense inflation. In addition the expense allocations and method of projection were refined when setting the annuity unit cost. These changes led to a c£130m increase in gross and net of reinsurance BEL.

D.2.1.4 TRANSITIONAL MEASURES

The group does not apply the transitional risk-free interest rate-term structure.

The group applies the Transitional Measure on Technical Provisions (TMTP). The TMTP was recalculated in accordance with Article 308d of Directive 2009/138/EC at 31 December 2021. The group obtained regulatory approval to recalculate its TMTP at this date, in line with the 2-yearly calculation cycle. As at 31 December 2021 the impact of not applying the transitional measure is provided in the table below:

As at 31 December 2021 (£m)	Regulatory basis	Impact of removing TMTP	Adjusted balance
Technical provisions	446,802	4,736	451,538
SCR[1]	9,376	768	10,144
Basic Own Funds	17,711	(3,837)	13,874
Eligible Own Funds for SCR	17,537	(3,837)	13,700
Capital coverage ratio	187%	(52)%	135%

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

The TMTP has been calculated in line with PRA approvals.

D.2.1.5 VOLATILITY ADJUSTMENT

The group does not apply a volatility adjustment.

D.2.1.6 MATCHING ADJUSTMENT (MA)

In common with other UK annuity providers, the group has 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 2021 the impact of removing the approval to use a MA is provided in the table below:

As at 31 December 2021 (£m)	Regulatory basis	Impact of removing MA approval	Adjusted balance
Technical provisions	446,802	10,395	457,197
SCR[1]	9,376	16,625	26,001
Basic Own Funds	17,711	(8,438)	9,273
Eligible Own Funds for SCR	17,537	(8,438)	9,099
Capital coverage ratio	187%	(152)%	35%

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.22.01.22 (see Annex 1) using a step-by-step approach.

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)	2021	2020
Closing IFRS TP	**462,779**	432,574
Removal of entities aggregated under the D&A method	**(7,032)**	(6,391)
Data changes	**(47)**	(66)
Assumptions changes	**(8,882)**	(8,509)
Methodology changes	**(768)**	(693)
Closing Solvency II gross BELs	**446,050**	416,915

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 £7.0bn 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 has no SPVs authorised under Article 211 of the Solvency II Directive.

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. As one of the UK's largest life insurers, the group has 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 remains exposed to certain key areas of risk, including:

- Future levels of mortality for UK 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 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.

The group calculates 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 £27,476m (2020: £37,534m) compared to the total value of other liabilities under IFRS of £108,916m (2020: £128,025m).

(£m)	2021	2020
IFRS valuation of other liabilities	**108,916**	128,025
Solvency II valuation of other liabilities	**27,476**	37,534
Difference	**(81,440)**	(90,491)
Explained by:		
Differences in the consolidation approach	**(82,118)**	(91,127)
Conversion to aggregation under the D&A method	**(1,018)**	(1,010)
Solvency II valuation differences	**1,696**	1,646
Difference	**(81,440)**	(90,491)

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:

Other liabilities as at 31 December 2021 (£m)	**Reference**	**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)	D.3.6	**5,953**	**86,355**	**(80,402)**	**-**
Subordinated liabilities	D.3.7	**3,995**	**3,656**	**339**	**296**
Any other liabilities, not shown elsewhere	D.3.8	**-**	**26**	**(26)**	**(26)**
Total		**27,476**	**108,916**	**(81,440)**	**1,696**

Other liabilities as at 31 December 2020 (£m)	Reference	Solvency II	IFRS	Variance	Differences due to IFRS valuation
Provisions other than technical provisions		105	123	(18)	-
Pension benefit obligations	D.3.1	1,083	1,165	(82)	(55)
Deferred tax liabilities	D.3.2	978	207	771	521
Derivatives		20,489	23,208	(2,719)	-
Debts owed to credit institutions	D.3.3	953	1,655	(702)	264
Insurance and intermediaries payables	D.3.4	467	23	444	445
Reinsurance payables	D.3.5	41	88	(47)	(47)
Payables (trade, not insurance)	D.3.6	8,887	97,596	(88,709)	(11)
Subordinated liabilities	D.3.7	4,531	3,958	573	531
Any other liabilities, not shown elsewhere	D.3.8	-	2	(2)	(2)
Total		37,534	128,025	(90,491)	1,646

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)
- CALA Pension Scheme (UK)

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

(£m)	**2021**	2020
Gross pension benefit obligations	**1,047**	1,083
Annuity obligations insured by LGAS (included in technical provisions)	**(1,017)**	(1,007)
Total Pension scheme deficit	**30**	76

Further detail on the pension benefit obligations is provided below:

	2021 £m	**2021 %**	2020 £m	2020 %
Bonds/Liability Driven Investment funds	**-**	**-**	893	59%
Equity	**-**	**-**	190	12%
Assured Payment Policy	**1,214**	**91%**	396	26%
Cash	**114**	**9%**	30	2%
Other assets	**-**	**-**	11	1%
Total Pension scheme assets	**1,328**	**100%**	1,520	100%
Current pensioners[1]	**1,420**	**60%**	1,455	56%
Non-pensioner liabilities	**955**	**40%**	1,148	44%
Total Pension scheme liabilities	**2,375**	**100%**	2,603	100%
Gross Pension benefit obligations	**1,047**		1,083	

1. 'Current pensioners' includes £1,017m (2020: £1,007m) 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 £26m (2020: £(55)m) valuation difference under Solvency II.

On 18 June 2021, the Scheme purchased an Assured Payment Policy ("APP") from the group to match the majority of the future expected cashflows of uninsured members of the Scheme.

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 £978m (2020: £976m) and the equivalent net deferred tax liability on the IFRS balance sheet are summarised below:

(£m)	2021 Solvency II	2021 IFRS	2020 Solvency II	2020 IFRS
Deferred tax assets	-	(2)	(2)	(5)
Deferred tax liabilities	978	251	978	207
Net deferred tax liabilities	**978**	**249**	976	202

As at 31 December 2021 (£m)	Solvency II	IFRS
Deferred acquisition expenses	(6)	-
Difference between the tax and accounting value of insurance contracts	1,018	303
Realised and unrealised gains on investments	13	13
Excess of depreciation over capital allowances	(13)	(13)
General provisions	(26)	(26)
Trading losses	(1)	(1)
Pension fund deficit	(7)	(7)
Net deferred tax (assets)/liabilities	**978**	**269**
'Holdings In Related Undertakings Line' on Solvency II balance sheet		13
Net deferred tax liabilities valued on a D&A basis on Solvency II balance sheet		(33)
Net deferred tax (assets)/liabilities – IFRS balance sheet		**249**

There are no material unrecognised deferred tax assets.

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 of £195m (2020: £264m) 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 £590m (2020: £445m) 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. This gives rise to a presentational difference of £65m (2020: £47m) which is offset by a corresponding difference in Technical Provisions.

D.3.6 PAYABLES (TRADE, NOT INSURANCE)

Under IFRS, trail commission represents the present value of future commission payments. Under Solvency II these amounts are taken into account in the calculation of the Solvency II BEL and are therefore removed from payables in order to eliminate a double count. In 2021 this balance was written off leaving £nil valuation difference (2020: £11m).

All other payables within this line item are valued at fair value in line with IFRS.

D.3.7 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 £296m (2020: £531m) between Solvency II and IFRS.

D.3.8 ANY OTHER LIABILITIES, NOT SHOWN ELSEWHERE

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 of £26m (2020: £2m).

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 the group, these are valued as investment property.

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 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

The Group Board has established Group Risk Appetite statements to set the group's overall objective for capital; the group aims to maintain an appropriate buffer of capital resources over the minimum regulatory capital requirements. The Board sets 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 the group prepares a five-year Capital Plan, consistent with the group's Strategic and Business Plans, to forecast how the capital position is expected to develop over the group business planning period and to consider the impact of the group's strategy on the capital position. Performance against the Capital Plan is monitored on a regular basis and is used to inform decisions on the group'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 as at 31 December 2021 are as follows:

(£m)	**IFRS Equity 2021**	**Solvency II Basic Own Funds 2021**	IFRS Equity 2020	Solvency II Basic Own Funds 2020
Ordinary shares	**149**	**149**	149	149
Share premium	**1,012**	**1,012**	1,006	1,006
Restricted Tier 1 notes	**495**	**495**	495	495
Retained earnings and reserves	**9,287**	**-**	8,316	-
Reconciliation reserve	**-**	**12,060**	-	11,308
Subordinated liabilities	**-**	**3,995**	-	4,531
Total	**10,943**	**17,711**	9,966	17,489

[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.

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

All Legal & General 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 2021 (£m)	**Reference**	**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[2,3]		**13,093**	**12,166**	**495**	**432**	-

1. Excludes £9m 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.

As at December 2020 (£m)	Reference	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	1,006	1,006	-	-	-
Restricted Tier 1 notes	E.1.4.2	495	-	495	-	-
Reconciliation reserve[1]	E.1.4.3	11,308	11,308	-	-	-
Subordinated liabilities	E.1.4.5	4,531	-	-	4,531	
Total Basic Own Funds		17,489	12,463	495	4,531	-
Restrictions to Own Funds	E.1.5	(180)	(180)		-	-
Total Eligible Own Funds to cover the SCR		17,309	12,283	-	4,531	-
Total Eligible Own Funds to cover the MCR[1,2]		12,421	11,487	495	439	-

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.

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 2021 the group had an aggregate issued and paid up ordinary share capital of £149m (2020: £149m) and share premium of £1,012m (2020: £1,006m). 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.

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 (2020: £7m). 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 2021 was £495m (2020: £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)	**2021**	2020
Excess of assets over liabilities	**13,725**	12,966
Ordinary share capital	**(149)**	(149)
Share premium account	**(1,012)**	(1,006)
Restricted Tier 1 notes	**(495)**	(495)
Other non-available own funds[1]	**(9)**	(8)
Reconciliation reserve	**12,060**	11,308

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.

The movement in the excess of assets over liabilities essentially represents net profits generated by the group, partially offset by dividends paid to the shareholders. During the year the group paid £1,063m (2020: £1,048m) in dividends to shareholders.

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)	**Own Funds**
Own Funds as at 31 December 2020	**17,309**
Net surplus generation	**1,474**
Dividend paid	**(1,063)**
Other operating and non-operating variances	**117**
Subordinated liabilities	**(300)**
Own Funds as at 31 December 2021	**17,537**

The increase in Own Funds is primarily driven by the net surplus generation of £1,474m generated from the books of existing and new business, which includes the release of Risk Margin and TMTP. This increase in Own Funds is partially offset by the dividends of £1,063m paid to shareholders during the year and redeemed debt of £300m.

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
- 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 2021 (£m)**	Solvency II value 2020 (£m)	**Transitional rules**
Tier 2[2,3]	10.000	23/07/2009	23/07/2041	23/07/2021	£300m	**-**	319	(a), (b)
Tier 2[2]	5.500	27/06/2014	27/06/2064	27/06/2044	£600m	**801**	870	(b)
Tier 2	5.375	27/10/2015	27/10/2045	27/10/2025	£600m	**627**	653	-
Tier 2	5.250	21/03/2017	21/03/2047	21/03/2027	$850m	**674**	701	-
Tier 2	5.550	24/04/2017	24/04/2052	24/04/2032	$500m	**402**	420	-
Tier 2	5.125	14/11/2018	14/11/2048	14/11/2028	£400m	**418**	439	-
Tier 2	3.750	26/11/2019	26/11/2049	26/11/2029	£600m	**594**	625	-
Tier 2	4.500	01/05/2020	01/11/2050	01/11/2030	£500m	**479**	504	-
Total subordinated debt						**3,995**	4,531	

1. Notes are callable every 5 years following the first call date.
2. Subject to transitional arrangements.
3. These notes were redeemed in full on 23 July 2021.

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

Over 2021 the value of the subordinated debt decreased by £536m to £3,995m (2020: £4,531m). This was primarily driven by the redemption of 10% Sterling subordinated notes of £300m. Other movements in the total value of subordinated debt relate to changes in the risk-free rates used for the Solvency II valuation of subordinated liabilities which are reflected within Other 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:

(a) Solvency II requires that the first contractual opportunity to redeem an instrument shall not occur before 5 years from the date of issuance, unless the instrument is exchanged or converted, or redeemed out of the proceeds of a new instrument of the same or better quality. The instrument does not meet this requirement.

(b) 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.

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 2021 this has resulted in a restriction of £174m (2020: £180m).

As at 31 December 2021 there were no restrictions on the Own Funds for any of the Matching Adjustment Portfolios (MAPs) within the group (2020: nil).

The group has set aside an additional £9m in relation to the Legal & General Mastertrust arrangement and treated it as a non-available own funds item during 2021 (2020: £8m).

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 is shown below:

(£m)	Reference	2021	2020
IFRS equity		**10,943**	9,966
Solvency II Excess of assets over liabilities		**13,725**	12,966
Difference		**2,782**	3,000
Explained by:			
Elimination of intangibles[1]		**(395)**	(408)
Conversion to aggregation under the D&A method	D	**197**	280
Difference in the valuation of technical provisions		**3,925**	4,154
- Valuation differences on technical provisions	D	8,945	8,768
- Valuation differences on reinsurance recoverables	D.1.1.3	(4,906)	(4,551)
- Reclassification differences on reinsurance receivables[2]	D.1.1.5	411	335
- Reclassification differences on reinsurance payables	D.3.5	65	47
- Reclassification differences on insurance and intermediaries payables	D.3.4	(590)	(445)
Revaluation of subordinated debt and debts owed to credit institutions[3]	D.3	**(491)**	(795)
Other valuation differences[4]		**226**	290
Deferred tax impacts	D.3	**(680)**	(521)
Total		**2,782**	3,000

1. Includes £94m (2020: £114m) of deferred acquisition costs and goodwill, £327m (2020: £307m) of intangible assets less £nil (2020: £11m) of trail commission payable and £26m (2020: £2m) of deferred income liabilities.
2. Includes insurance and intermediaries receivables.
3. Includes valuation differences of £296m (2020: £531m) related to subordinated debt and £195m (2020: £264m) related to debts owed to credit institutions.
4. 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 2021 was £9,376m (2020: £9,880m), 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 during the year:

(£m)	SCR
SCR as at 31 December 2020	**9,880**
Net surplus generation	**192**
Market movements	**(226)**
Other operating and non-operating variances	**(470)**
SCR as at 31 December 2021	**9,376**

- 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. The main sources of diversification for the group are derived from the different risk profiles of PMC compared to the rest of the group. The Group Internal Model allows a quantification and allocation of this diversification benefit and as at year end 2021 it allocated c.£300m of diversification benefit to PMC (2020: c.£300m). 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.25.02.22 in Annex 1 of this report.

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 2021 the amount of the adjustment was £1,950m (2020: £1,585m).

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:

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

- Deferred tax liabilities included in the Solvency II Own Funds of the Company, 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; and
- Profit on future investment income expected to arise on assets not required to back Technical Provisions or SCR.
- 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 2021 was £2,161m (2020: £2,194m) 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 change in the amount of the MCR over the year is reflective of the increase 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. 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 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;
- The appropriate additional capital resources to be held over the minimum regulatory capital requirements; and
- Management of earnings volatility.

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 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 (LG Re)	Internal Model	LG 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** **Legal & General Reinsurance Company No.2 Limited (LG Re 2)**	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. LG Re 2 is a non-EEA reinsurer that primarily provides reinsurance of Canadian 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 the Legal & General America and Legal & General Reinsurance Company No.2 Limited firms 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:

	2021	2020
SCR for Internal Model firms	**96.3%**	96.4%
SCR for Standard Formula firms	**0.0%**	0.0%
SCR for D&A Firms (Legal & General America, LG Re 2)	**2.8%**	2.8%
Capital requirement for financial firms	**0.9%**	0.8%
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 output of the Internal Model is used:

- to measure and rank the relative profile of the group's core risk exposures;
- in determining the group's strategies, risk limits and tolerances for managing different types of risk exposure relative to risk appetite;
- in the own risk and solvency assessment (ORSA) for the group and for relevant solo firms;

- as a key factor in decisions such as those covering capital allocations, product pricing and asset class selection; and
- in the assessment of significant transactions.

The Group Board is assured of the adequacy and effectiveness of the integration and use of the Internal Model through regular reporting to the GRC, both as part of the formal management information received by the GRC and through briefings on the operation and development of the Internal Model.

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 and LG 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. This is sometimes referred to as a ‘marginal 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's 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
As at 9 March 2022 the group declared a final dividend of £790m (2020: £754m) to be paid on 1 June 2022. 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 2021 would have been to reduce the regulatory solvency coverage ratio by 8% (2020: 8%).

Annex 1 – Quantitative Reporting Templates (QRT)

LEGAL & GENERAL GROUP PLC – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2021

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	440
R0050	Pension benefit surplus	-
R0060	Property, plant & equipment held for own use	107,679
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	177,557,509
R0080	*Property (other than for own use)*	29,146
R0090	*Holdings in related undertakings, including participations*	94,908,461
R0100	*Equities*	282,890
R0110	*Equities - listed*	274,063
R0120	*Equities - unlisted*	8,827
R0130	*Bonds*	67,056,598
R0140	*Government Bonds*	11,306,101
R0150	*Corporate Bonds*	54,881,852
R0160	*Structured notes*	-
R0170	*Collateralised securities*	868,645
R0180	*Collective Investments Undertakings*	2,140,995
R0190	*Derivatives*	13,111,613
R0200	*Deposits other than cash equivalents*	27,806
R0210	*Other investments*	-
R0220	Assets held for index-linked and unit-linked contracts	294,387,604
R0230	Loans and mortgages	8,405,542
R0240	*Loans on policies*	-
R0250	*Loans and mortgages to individuals*	7,113,742
R0260	*Other loans and mortgages*	1,291,800
R0270	Reinsurance recoverables from:	551,908
R0280	*Non-life and health similar to non-life*	23,841
R0290	*Non-life excluding health*	23,841
R0300	*Health similar to non-life*	-
R0310	*Life and health similar to life, excluding index-linked and unit-linked*	528,067
R0320	*Health similar to life*	172,296
R0330	*Life excluding health and index-linked and unit-linked*	355,771
R0340	*Life index-linked and unit-linked*	-
R0350	Deposits to cedants	714,472
R0360	Insurance and intermediaries receivables	53,639
R0370	Reinsurance receivables	454,452
R0380	Receivables (trade, not insurance)	5,472,905
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	296,660
R0420	Any other assets, not elsewhere shown	-
R0500	**Total assets**	488,002,810

LEGAL & GENERAL GROUP PLC – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2021
Values are shown in £'000
S.02.01.02
Balance sheet

		Solvency II value	
	Liabilities	C0010	
R0510	Technical provisions - non-life	26,603	
R0520	*Technical provisions - non-life (excluding health)*	26,603	
R0530	*TP calculated as a whole*	-	
R0540	*Best Estimate*	26,103	Note 1
R0550	*Risk margin*	500	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)	77,030,537	
R0610	*Technical provisions - health (similar to life)*	425,564	
R0620	*TP calculated as a whole*	-	
R0630	*Best Estimate*	420,847	Note 1
R0640	*Risk margin*	4,717	Note 2
R0650	*Technical provisions - life (excluding health and index-linked and unit-linked)*	76,604,973	
R0660	*TP calculated as a whole*	-	
R0670	*Best Estimate*	75,579,058	Note 1
R0680	*Risk margin*	1,025,915	Note 2
R0690	Technical provisions - index-linked and unit-linked	369,744,869	
R0700	*TP calculated as a whole*	-	
R0710	*Best Estimate*	369,641,410	Note 1
R0720	*Risk margin*	103,459	Note 2
R0730	Other technical provisions	-	
R0740	Contingent liabilities	-	
R0750	Provisions other than technical provisions	109,246	
R0760	Pension benefit obligations	1,046,703	
R0770	Deposits from reinsurers	-	
R0780	Deferred tax liabilities	978,297	
R0790	Derivatives	13,995,516	
R0800	Debts owed to credit institutions	750,470	
R0810	Financial liabilities other than debts owed to credit institutions	-	
R0820	Insurance & intermediaries payables	604,804	
R0830	Reinsurance payables	43,232	
R0840	Payables (trade, not insurance)	5,952,927	
R0850	Subordinated liabilities	3,994,943	
R0860	*Subordinated liabilities not in BOF*	-	
R0870	*Subordinated liabilities in BOF*	3,994,943	
R0880	Any other liabilities, not elsewhere shown	-	
R0900	**Total liabilities**	474,278,147	
R1000	**Excess of assets over liabilities**	13,724,663	

Note 1
BELs are shown net of Transitional Measure on Technical Provisions (TMTP) applied.
The total BELs above sum to £445,667m. The total unadjusted BELs of £446,050m 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 £1,135m.
The total unadjusted Risk Margin of £5,488m can be seen in section D.2 of the report.

In total, TMTP of £4,736m was applied, and can be seen in section D.2 of the report.

LEGAL & GENERAL GROUP PLC – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2021
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*	-	-	108,752	108,752
R0130	*Gross - Non-proportional reinsurance accepted*				
R0140	*Reinsurers' share*	-	-	92,008	92,008
R0200	*Net*	-	-	16,744	16,744
	Premiums earned				
R0210	*Gross - Direct Business*	-	-	-	-
R0220	*Gross - Proportional reinsurance accepted*	-	-	108,522	108,522
R0230	*Gross - Non-proportional reinsurance accepted*				
R0240	*Reinsurers' share*	-	-	49,978	49,978
R0300	*Net*	-	-	58,544	58,544
	Claims incurred				
R0310	*Gross - Direct Business*	-	-	-	-
R0320	*Gross - Proportional reinsurance accepted*	-	-	60,221	60,221
R0330	*Gross - Non-proportional reinsurance accepted*				
R0340	*Reinsurers' share*	-	-	26,244	26,244
R0400	*Net*	-	-	33,977	33,977
	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**	-	-	45,097	45,097
R1200	**Other expenses**				
R1300	**Total expenses**				45,097

LEGAL & GENERAL GROUP PLC – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2021
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*	303,094	-	41,512,871	10,971,893	12,911,866	65,699,724
R1420	*Reinsurers' share*	117,056	-	-	3,235,408	1,100	3,353,564
R1500	*Net*	186,038	-	41,512,871	7,736,485	12,910,766	62,346,160
	Premiums earned						
R1510	*Gross*	303,094	-	-	9,889,993	147,038	10,340,125
R1520	*Reinsurers' share*	117,056	-	-	3,235,408	1,100	3,353,564
R1600	*Net*	186,038	-	-	6,654,585	145,938	6,986,561
	Claims incurred						
R1610	*Gross*	106,194	-	48,500,031	6,615,412	11,563,051	66,784,688
R1620	*Reinsurers' share*	34,851	-	-	2,739,893	-	2,774,744
R1700	*Net*	71,343	-	48,500,031	3,875,519	11,563,051	64,009,944
	Changes in other technical provisions						
R1710	*Gross*	14,268	-	34,280,374	554,699	16,824	34,866,165
R1720	*Reinsurers' share*	80,153	-	(2,757)	69,656	-	147,052
R1800	*Net*	(65,885)	-	34,283,131	485,043	16,824	34,719,113
R1900	**Expenses incurred**	174,378	-	305,908	826,220	13,412	1,319,918
R2500	**Other expenses**						2,440,529
R2600	**Total expenses**						3,760,447

LEGAL & GENERAL GROUP PLC – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2021
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**	446,802,010	4,735,598	-	-	10,394,974
R0020	**Basic own funds**	16,656,173	(3,837,324)	-	-	(8,438,029)
R0050	**Eligible own funds to meet Solvency Capital Requirement**	17,536,988	(3,837,324)	-	-	(9,899,588)
R0090	**Solvency Capital Requirement**	9,375,683	768,065	-	-	16,625,489

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 2021.
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 2021
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)	149,260	149,260		-	
R0020	*Non-available called but not paid in ordinary share capital at group level*	-	-		-	
R0030	Share premium account related to ordinary share capital	1,011,934	1,011,934		-	
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	12,059,889	12,059,889			
R0140	Subordinated liabilities	3,994,943		-	3,994,943	-
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*	-	-	-	-	-
	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 other financial undertakings, including non-regulated undertakings carrying out financial activities	416,146	416,146	-	-	-
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	638,787	638,787	-	-	-
R0270	**Total of non-available own fund items**	-	-	-	-	-
R0280	**Total deductions**	1,054,933	1,054,933	-	-	-
R0290	**Total basic own funds after deductions**	16,656,173	12,166,150	495,080	3,994,943	-

LEGAL & GENERAL GROUP PLC – SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2021
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	242,028	242,028	-	-	
R0420	Institutions for occupational retirement provision	-	-	-	-	-
R0430	Non regulated entities carrying out financial activities	-	-	-	-	
R0440	**Total own funds of other financial sectors**	242,028	242,028	-	-	-
	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	638,787	638,787	-	-	-
R0460	Own funds aggregated when using the D&A and combination of method net of IGT	638,787	638,787	-	-	-
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)	16,656,173	12,166,150	495,080	3,994,943	-
R0530	Total available own funds to meet the minimum consolidated group SCR	16,656,173	12,166,150	495,080	3,994,943	
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)	16,656,173	12,166,150	495,080	3,994,943	-
R0570	Total eligible own funds to meet the minimum consolidated group SCR (group)	13,093,331	12,166,150	495,080	432,101	
R0590	**Consolidated Group SCR**	9,111,502				
R0610	**Minimum consolidated Group SCR**	2,160,505				
R0630	**Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)**	184%				
R0650	**Ratio of Eligible own funds to Minimum Consolidated Group SCR**	606%				
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)**	17,536,988	13,046,965	495,080	3,994,943	-
R0670	**SCR for entities included with D&A method**	264,181				
R0680	**Group SCR**	9,375,683				
R0690	**Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A**	187%				

	Reconciliation reserve	C0060
R0700	Excess of assets over liabilities	13,724,663
R0710	Own shares (held directly and indirectly)	-
R0720	Foreseeable dividends, distributions and charges	-
R0730	Other basic own fund items	1,656,274
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	-
R0750	Other non available own funds	8,500
R0760	**Reconciliation reserve**	12,059,889
	Expected profits	
R0770	Expected profits included in future premiums (EPIFP) - Life business	2,501,609
R0780	Expected profits included in future premiums (EPIFP) - Non- life business	-
R0790	**Total Expected profits included in future premiums (EPIFP)**	2,501,609

LEGAL & GENERAL GROUP - SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2021
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)	1,021,186	1,021,186	
2	10400I	Equity risk (other than pension scheme)	1,349,019	1,349,019	
3	10600I	Property risk (other than pension scheme)	2,004,555	2,004,555	
4	10700I	Spread risk (other than pension scheme)	6,118,321	6,118,321	
5	10800I	Concentration risk (other than pension scheme)	-	-	
6	10900I	Currency risk (other than pension scheme)	553,809	553,809	
7	11000I	Other market risk (other than pension scheme)	1,646,080	1,646,080	
8	10300P	Interest rate risk (pension scheme)	90,646	90,646	
9	10400P	Equity risk (pension scheme)	-	-	
10	10600P	Property risk (pension scheme)	-	-	
11	10700P	Spread risk (pension scheme)	88,231	88,231	
12	10800P	Concentration risk (pension scheme)	-	-	
13	10900P	Currency risk (pension scheme)	-	-	
14	11000P	Other market risk (pension scheme)	63,208	63,208	
15	19900I	Diversification within market risk (including pension scheme)	(3,875,972)	(3,875,972)	Note 1
16	20100I	Type 1 counterparty risk	1,003,173	1,003,173	
17	20200I	Type 2 counterparty risk	-	-	
18	29900I	Diversification within counterparty risk	-	-	Note 1
19	30100I	Mortality risk	580,130	580,130	
20	30200I	Longevity risk (other than pension scheme)	6,346,756	6,346,756	
21	30200P	Longevity risk (pension scheme)	367,624	367,624	
22	30400I	Mass lapse	515,731	515,731	
23	30500I	Other lapse risk	502,222	502,222	
24	30600I	Expense risk	491,494	491,494	
25	30800I	Life catastrophe risk	975,250	975,250	
26	30900I	Other life underwriting risk	175,616	175,616	
27	39900I	Diversification within life underwriting risk	(3,061,321)	(3,061,321)	Note 1
28	41600I	Other health underwriting risk	100,517	100,517	
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	57,623	57,623	
32	50210I	Reserving risk if claims provision and premium provision combined	12,802	12,802	
33	50300I	Non-life catastrophe risk	65,679	65,679	
34	59900I	Diversification within non-life underwriting risk	(42,636)	(42,636)	Note 1
35	70100I	Operational risk	886,195	886,195	
36	80100I	Other risks	83,225	83,225	
37	80200I	Loss-absorbing capacity of technical provisions	-	-	
38	80300I	Loss-absorbing capacity of deferred tax	(1,950,065)	(1,950,065)	
39	80400I	Other adjustments	(216,060)	(216,060)	

LEGAL & GENERAL GROUP - SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2021
Values are shown in £'000
S.25.02.22 – Unaudited (continued)
Solvency Capital Requirement - for groups using the standard formula and partial internal model

		C0100	
	Calculation of Solvency Capital Requirement		
R0110	Total undiversified components	15,953,038	Sum of components above
R0060	Diversification	(6,841,016)	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**	9,112,022	
R0210	Capital add-ons already set	-	
R0220	**Solvency capital requirement for undertakings under consolidated method**	9,112,022	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	(1,950,065)	
R0400	Capital requirement for duration-based equity risk sub-module	-	
R0410	Total amount of Notional Solvency Capital Requirements for remaining part	3,418,923	
R0420	Total amount of Notional Solvency Capital Requirement for ring fenced funds	-	
R0430	Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	6,833,903	
R0440	Diversification effects due to RFF nSCR aggregation for article 304	-	
R0470	Minimum consolidated group solvency capital requirement	2,160,505	
	Information on other entities - *For information only, embedded in components above*		
R0500	Capital requirement for other financial sectors (Non-insurance capital requirements)	83,225	
R0510	*Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies*	83,225	
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	263,661	
R0570	**Solvency capital requirement**	9,375,683	

Note 1
These items represent diversification within individual risk categories. The total diversification within categories is £6,980m.

Note 2
This item represents diversification between risk categories. The total diversification within and between risk categories is £13,821m.

LEGAL & GENERAL GROUP PLC – SOLVENCY AND FINANCIAL CONDITION REPORT

LEGAL & GENERAL GROUP - SOLVENCY AND FINANCIAL CONDITION REPORT 31 DECEMBER 2021
S.32.01.22

Undertakings in the scope of the group									Criteria of influence						Inclusion in the scope of Group supervision		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	GB	213800JH9QQWHLO99821GB00940	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
2	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
3	GB	213800JH9QQWHLO99821GB07140	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
4	GB	213800JH9QQWHLO99821GB07150	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
5	GB	213800JH9QQWHLO99821GB07160	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
6	GB	213800JH9QQWHLO99821GB10930	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
7	JE	213800JH9QQWHLO99821JE94990	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
8	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
9	GB	213800JH9QQWHLO99821GB10940	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
10	GB	213800JH9QQWHLO99821GB10950	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
11	GB	213800JH9QQWHLO99821GB29960	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
12	GB	213800JH9QQWHLO99821GB99970	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
13	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
14	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
15	GB	213800JH9QQWHLO99821GB06220	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
16	GB	213800JH9QQWHLO99821GB05230	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
17	GB	213800JH9QQWHLO99821GB05240	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
18	GB	213800JH9QQWHLO99821GB05250	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
19	GB	213800JH9QQWHLO99821GB05260	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
20	GB	213800JH9QQWHLO99821GB05270	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
21	GB	213800JH9QQWHLO99821GB05280	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
22	GB	213800JH9QQWHLO99821GB05290	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
23	GB	213800JH9QQWHLO99821GB05300	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
24	GB	213800JH9QQWHLO99821GB05310	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
25	GB	213800JH9QQWHLO99821GB05320	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
26	US	213800JH9QQWHLO99821US94250	Specific code	Banner Life Insurance Company	Life insurance undertaking	Limited by shares	Non-mutual	Maryland Insurance Administration	100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 2: Local rules
27	GB	213800JH9QQWHLO99821GB05330	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
28	GB	213800JH9QQWHLO99821GB05340	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
29	JE	213800JH9QQWHLO99821JE95000	Specific code	Bishopsgate Long Term Property Fund General Partner 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
30	JE	213800JH9QQWHLO99821JE95010	Specific code	Bishopsgate Long Term Property Fund Nominees No 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
31	JE	213800JH9QQWHLO99821JE95020	Specific code	Bishopsgate Long Term Property Fund Nominees 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
32	JE	213800JH9QQWHLO99821JE99030	Specific code	Bishopsgate Long-Term Property 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
33	JE	213800JH9QQWHLO99821JE95040	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
34	GB	213800JH9QQWHLO99821GB07170	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
35	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
36	GB	213800JH9QQWHLO91851GB10530	Specific code	Bramshott Place 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
37	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
38	GB	213800JH9QQWHLO99821GB05350	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
39	GB	213800JH9QQWHLO99821GB05385	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
40	GB	213800JH9QQWHLO99821GB06380	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
41	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

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Undertakings in the scope of the group

									Criteria of influence						Inclusion in the scope of Group supervision		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
42	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
43	GB	213800JH9QQWHLO99821GB05390	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
44	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
45	GB	213800JH9QQWHLO99821GB05420	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
46	GB	213800JH9QQWHLO99821GB05410	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
47	GB	213800JH9QQWHLO99821GB05430	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
48	GB	213800JH9QQWHLO99821GB05450	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
49	GB	213800JH9QQWHLO99821GB05445	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
50	GB	213800JH9QQWHLO99821GB05460	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
51	GB	213800JH9QQWHLO99821GB05470	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
52	GB	213800JH9QQWHLO99821GB05485	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
53	GB	213800JH9QQWHLO99821GB05490	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
54	GB	213800JH9QQWHLO99821GB05505	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
55	GB	213800JH9QQWHLO99821GB05515	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
56	GB	213800JH9QQWHLO99821GB05400	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
57	GB	213800JH9QQWHLO99821GB05525	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
58	GB	213800JH9QQWHLO99821GB05530	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
59	GB	213800JH9QQWHLO99821GB05545	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
60	GB	213800JH9QQWHLO99821GB05550	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
61	GB	213800JH9QQWHLO99821GB05560	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
62	GB	213800JH9QQWHLO99821GB05570	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
63	GB	213800JH9QQWHLO99821GB05580	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
64	JE	213800JH9QQWHLO99821GB09310	Specific code	Canary 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
65	GB	213800JH9QQWHLO99821GB07180	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
66	GB	213800JH9QQWHLO99821GB07190	Specific code	Cardiff Interchange ManCo Limited	Other	Limited by shares	Non-mutual		66.00%	66.00%	66.00%		Dominant	66.00%	Included in the scope		Method 1: Adjusted equity method
67	GB	213800JH9QQWHLO99821GB05600	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
68	JE	213800JH9QQWHLO99821GB10530	Specific code	Central St Giles Unit Trust	Other	Limited by shares	Non-mutual		25.00%	25.00%	25.00%		Significant	25.00%	Included in the scope		Method 1: Adjusted equity method
69	US	213800JH9QQWHLO99821US10540	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
70	JE	213800JH9QQWHLO99821GB09250	Specific code	Chineham Shopping Centre 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
71	GB	213800JH9QQWHLO99821GB05380	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
72	GB	213800JH9QQWHLO99821GB06450	Specific code	CleverMover Limited	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
73	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
74	GB	213800JH9QQWHLO99821GB06470	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
75	GB	213800JH9QQWHLO99821GB06480	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
76	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
77	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
78	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
79	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
80	GB	213800JH9QQWHLO99821GB05480	Specific code	English Cities Fund	Other	Limited by shares	Non-mutual		35.40%	35.40%	35.40%		Significant	35.40%	Included in the scope		Method 1: Adjusted equity method
81	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
82	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

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	Undertakings in the scope of the group								Criteria of influence						Inclusion in the scope of Group supervision		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
83	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
84	GB	213800JH9QQWHLO99821GB07200	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
85	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
86	GB	213800JH9QQWHLO99821GB07210	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
87	BM	213800JH9QQWHLO99821BM9990	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
88	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
89	US	213800JH9QQWHLO99821US06640	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
90	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
91	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
92	GB	213800LC19MI2DCO7444	LEI	GO ETF Solutions 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
93	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
94	JE	213800JH9QQWHLO99821GB09270	Specific code	Gresham Street 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
95	GB	213800JH9QQWHLO99821GB09411	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
96	GB	213800JH9QQWHLO99821GB07000	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
97	AU	213800JH9QQWHLO99821AU11470	Specific code	Household Capital Pty Limited	Other	Limited by shares	Non-mutual		20.00%	20.00%	20.00%		Significant	20.00%	Included in the scope		Method 1: Adjusted equity method
98	GB	213800JH9QQWHLO99821GB11480	Specific code	Inspired Villages Group Limited	Other	Limited by shares	Non-mutual		54.55%	54.55%	54.55%		Dominant	54.55%	Included in the scope		Method 1: Adjusted equity method
99	GB	213800JH9QQWHLO99821GB11490	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
100	GB	213800JH9QQWHLO99821GB11500	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
101	GB	213800JH9QQWHLO99821GB97450	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
102	GB	213800JH9QQWHLO99821GB10980	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
103	GB	213800JH9QQWHLO99821GB07230	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
104	GB	213800JH9QQWHLO99821GB97460	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
105	GB	213800JH9QQWHLO99821GB07460	Specific code	Kao Data 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
106	GB	213800JH9QQWHLO99821GB20089	Specific code	Kensa Group Limited	Other	Limited by shares	Non-mutual		36.00%	36.00%	36.00%		Significant	36.00%	Included in the scope		Method 1: Adjusted equity method
107	LU	213800SIJ46ILXYN8O51	LEI	L&G Absolute Return Bond Plus Fund	Other	Limited by shares	Non-mutual		31.38%	31.38%	31.38%		Significant	31.38%	Included in the scope		Method 1: Adjusted equity method
108	GB	213800JH9QQWHLO99821GB09370	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
109	LU	213800ES48I97ADSUQ86	LEI	L&G Buy & Maintain Credit Fund	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual		99.41%	99.41%	99.41%		Dominant	99.41%	Included in the scope		Method 1: Adjusted equity method
110	GB	213800JH9QQWHLO99821GB10700	Specific code	L&G Cash Trust	Other	Limited by shares	Non-mutual		50.66%	50.66%	50.66%		Dominant	50.66%	Included in the scope		Method 1: Adjusted equity method
111	LU	213800JH9QQWHLO99821GB11460	Specific code	L&G Commodity Index Fund	Other	Limited by shares	Non-mutual		78.45%	78.45%	78.45%		Dominant	78.45%	Included in the scope		Method 1: Adjusted equity method
112	LU	213800ZVSCE7L3KU6U28	LEI	L&G Emerging Markets Bond Fund	Other	Limited by shares	Non-mutual		26.58%	26.58%	26.58%		Significant	26.58%	Included in the scope		Method 1: Adjusted equity method
113	LU	213800D2L3KB3XYWQ480	LEI	L&G Euro High Alpha Corporate Bond Fund	Other	Limited by shares	Non-mutual		28.16%	28.16%	28.16%		Significant	28.16%	Included in the scope		Method 1: Adjusted equity method
114	IE	213800UF5J8AYM6VO179	LEI	L&G Europe ex UK Equity UCITS ETF	Other	Limited by shares	Non-mutual		64.28%	64.28%	64.28%		Dominant	64.28%	Included in the scope		Method 1: Adjusted equity method
115	IE	213800W1S1FQANKD9935	LEI	L&G Frontier Markets Equity Fund	Other	Limited by shares	Non-mutual		54.44%	54.44%	54.44%		Dominant	54.44%	Included in the scope		Method 1: Adjusted equity method
116	GB	213800NNWZOLZNX2NU79	LEI	L&G Future World ESG UK Index Fund	Other	Limited by shares	Non-mutual		76.33%	76.33%	76.33%		Dominant	76.33%	Included in the scope		Method 1: Adjusted equity method
117	LU	213800YNONAI5YNVKU48	LEI	L&G Future World Global Credit Fund	Credit institution, investment firm and financial institution	Limited by shares	Non-mutual		91.12%	91.12%	91.12%		Dominant	91.12%	Included in the scope		Method 1: Adjusted equity method
118	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
119	LU	213800FIVGGU3C9KSN67	LEI	L&G Future World Global Equity Focus Fund	Other	Limited by shares	Non-mutual		71.22%	71.22%	71.22%		Dominant	71.22%	Included in the scope		Method 1: Adjusted equity method
120	GB	21380017N1VVS6LC7V69	LEI	L&G Future World Sustainable Opportunities Fund	Other	Limited by shares	Non-mutual		92.31%	92.31%	92.31%		Dominant	92.31%	Included in the scope		Method 1: Adjusted equity method
121	GB	213800KNX3DPH7A7MH30	LEI	L&G Global Developed Four Factor Scientific Beta Index Fund	Other	Limited by shares	Non-mutual		34.60%	34.60%	34.60%		Significant	34.60%	Included in the scope		Method 1: Adjusted equity method
122	IE	213800YP7LZ2F7O97G56	LEI	L&G Global Equity UCITS ETF	Other	Limited by shares	Non-mutual		68.86%	68.86%	68.86%		Dominant	68.86%	Included in the scope		Method 1: Adjusted equity method
123	GB	213800JH9QQWHLO99821GB2090	Specific code	L&G Global High Yield Fund	Other	Limited by shares	Non-mutual		21.67%	21.67%	21.67%		Significant	21.67%	Included in the scope		Method 1: Adjusted equity method

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Undertakings in the scope of the group

									Criteria of influence						Inclusion in the scope of Group supervision		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
124	GB	213800JH9QQWHLO99821GB02100	Specific code	L&G Global Infrastructure Fund	Other	Limited by shares	Non-mutual		11.90%	11.90%	11.90%		Significant	11.90%	Included in the scope		Method 1: Adjusted equity method
125	IE	213800JH9QQWHLO99821IE20090	Specific code	L&G Global Sustainable Multi-Factor Equity Index 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
126	IE	213800BEUS2TAE3HZM91	LEI	L&G India INR Government Bond UCITS ETF	Other	Limited by shares	Non-mutual		27.15%	27.15%	27.15%		Significant	27.15%	Included in the scope		Method 1: Adjusted equity method
127	IE	213800NBKT25BC62A624	LEI	L&G Japan Equity UCITS ETF	Other	Limited by shares	Non-mutual		69.00%	69.00%	69.00%		Dominant	69.00%	Included in the scope		Method 1: Adjusted equity method
128	IE	213800JH9QQWHLO99821IE23390	Specific code	L&G Multi Asset Core 20 Fund	Other	Limited by shares	Non-mutual		87.42%	87.42%	87.42%		Dominant	87.42%	Included in the scope		Method 1: Adjusted equity method
129	IE	213800JH9QQWHLO99821IE21290	Specific code	L&G Multi Asset Core 45 Fund	Other	Limited by shares	Non-mutual		87.35%	87.35%	87.35%		Dominant	87.35%	Included in the scope		Method 1: Adjusted equity method
130	IE	213800JH9QQWHLO99821IE22390	Specific code	L&G Multi Asset Core 75 Fund	Other	Limited by shares	Non-mutual		87.82%	87.82%	87.82%		Dominant	87.82%	Included in the scope		Method 1: Adjusted equity method
131	GB	213800JH9QQWHLO99821GB10400	Specific code	L&G Multi-Asset Target Return Fund	Other	Limited by shares	Non-mutual		35.50%	35.50%	35.50%		Significant	35.50%	Included in the scope		Method 1: Adjusted equity method
132	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
133	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
134	GB	213800JH9QQWHLO99821GB05620	Specific code	Legal & General (PMC 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
135	GB	213800WT2FV8TTBG4574	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
136	GB	213800JH9QQWHLO99821GB05060	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
137	GB	213800JH9QQWHLO99821GB07240	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
138	GB	213800JH9QQWHLO99821GB09120	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
139	GB	213800JH9QQWHLO99821GB09130	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
140	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
141	GB	213800JH9QQWHLO99821GB05050	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
142	GB	213800JH9QQWHLO99821GB05110	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
143	GB	213800JH9QQWHLO99821GB05100	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
144	GB	213800JH9QQWHLO99821GB05080	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
145	GB	213800JH9QQWHLO99821GB05090	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
146	GB	213800JH9QQWHLO99821GB37150	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
147	GB	213800JH9QQWHLO99821GB37160	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
148	GB	213800JH9QQWHLO99821GB37180	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
149	GB	213800JH9QQWHLO99821GB37170	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
150	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
151	GB	213800LKFXEMM8WLMA04	LEI	Legal & General Assurance Society Limited	Composite 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
152	CN	213800JH9QQWHLO99821GB09360	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
153	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
154	IE	213800JH9QQWHLO99821IE26144	Specific code	Legal & General CCF	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	IE	213800KQIZTS2NONJG98	LEI	Legal & General CCF - L&G ESG Paris Aligned World Equity Index 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
156	IE	213800CJ5Q9NGHWAM443	LEI	Legal & General CCF – L&G Heitman Global Property Securities Index Fund	Other	Limited by shares	Non-mutual		18.66%	18.66%	18.66%		Significant	18.66%	Included in the scope		Method 1: Adjusted equity method
157	IE	213800VN1YDZCIXHOC67	LEI	Legal & General CCF – L&G MFGAM Global Core Infrastructure Equity Index 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
158	IE	213800AN7AGN2RG6W269	LEI	Legal & General CCF – L&G Rafi Multi-Factor Climate Transition Index 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
159	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
160	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
161	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
162	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
163	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
164	GB	213800965CE5G2AP7L50	LEI	Legal & General European Equity Income Fund	Other	Limited by shares	Non-mutual		10.42%	10.42%	10.42%		Significant	10.42%	Included in the scope		Method 1: Adjusted equity method

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Undertakings in the scope of the group

									Criteria of influence						Inclusion in the scope of Group supervision		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
165	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
166	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
167	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
168	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
169	GB	213800QP6LZTBSKZU913	LEI	Legal & General Global Emerging Markets Index Fund	Other	Limited by shares	Non-mutual		10.30%	10.30%	10.30%		Significant	10.30%	Included in the scope		Method 1: Adjusted equity method
170	GB	213800Z9N3OILJFLNC70	LEI	Legal & General Global Real Estate Dividend Index Fund	Other	Limited by shares	Non-mutual		13.64%	13.64%	13.64%		Significant	13.64%	Included in the scope		Method 1: Adjusted equity method
171	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
172	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
173	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: Adjusted equity method
174	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: Adjusted equity method
175	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
176	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
177	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
178	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
179	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
180	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
181	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
182	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
183	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
184	IE	213800JH9QQWHLO99821IE10720	Specific code	Legal & General 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
185	IE	213800LPFTDQVNP63Z92	LEI	Legal & General ICAV - L&G Asia Pacific ex. Japan Equity Index Fund	Other	Limited by shares	Non-mutual		48.98%	48.98%	48.98%		Significant	48.98%	Included in the scope		Method 1: Adjusted equity method
186	IE	213800SG3PXYRCOM9J34	LEI	Legal & General ICAV - L&G Multi Asset Core 20 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
187	IE	2138005M8M5VBGLTB289	LEI	Legal & General ICAV - L&G Multi Asset Core 45 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
188	IE	213800XYMDN3C8FCJD41	LEI	Legal & General ICAV - L&G Multi Asset Core 75 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
189	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
190	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
191	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
192	US	549300M32WBVVFDTS111	LEI	Legal & General Investment Management America, 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
193	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
194	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
195	JP	213800JH9QQWHLO99821GB11450	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
196	GB	2138005NNERSR70DIC73	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
197	US	213800JH9QQWHLO99821US04020	LEI	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
198	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
199	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
200	GB	213800JH9QQWHLO99821GB05830	Specific code	Legal & General Life Fund 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
201	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
202	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
203	GB	213800OK851HMU3QA115	LEI	Legal & General MSCI World Socially Responsible Investment (SRI) Index Fund	Other	Limited by shares	Non-mutual		11.66%	11.66%	11.66%		Significant	11.66%	Included in the scope		Method 1: Adjusted equity method
204	GB	2138003TO69KXZJKEJ41	LEI	Legal & General Multi-Index Funds - Legal & General Diversified Fund	Other	Limited by shares	Non-mutual		74.32%	74.32%	74.32%		Dominant	74.32%	Included in the scope		Method 1: Adjusted equity method
205	GB	213800JH9QQWHLO99821GB05860	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

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									Criteria of influence						Inclusion in the scope of Group supervision		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
206	GB	213800JH9QQWHLO99821GB05120	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
207	GB	213800JH9QQWHLO99821GB00792	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
208	GB	213800JH9QQWHLO99821GB05870	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
209	GB	213800JH9QQWHLO99821GB05880	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
210	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
211	GB	213800JH9QQWHLO99821GB05890	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
212	GB	213800JH9QQWHLO99821GB05900	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
213	GB	213800JH9QQWHLO99821GB05910	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
214	GB	213800JH9QQWHLO99821GB05920	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
215	GB	213800JH9QQWHLO99821GB10590	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
216	GB	213800JH9QQWHLO99821GB05940	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
217	GB	213800JH9QQWHLO99821GB05950	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
218	GB	213800JH9QQWHLO99821GB47041	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
219	GB	213800JH9QQWHLO99821GB05990	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
220	GB	213800JH9QQWHLO99821GB05970	Specific code	Legal & General Property Partners (UKPIF 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
221	GB	213800JH9QQWHLO99821GB06000	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
222	GB	213800JH9QQWHLO99821GB05980	Specific code	Legal & General Property Partners (UKPIF) 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
223	IE	213800PPJSZMJADZZJ72	LEI	Legal & General QIAIF ICAV - Lifeisight Pre-Retirement 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
224	IE	213800ZMXX1LKDE62W60	LEI	Legal & General QIAIF ICAV – Lifesight Alternative Assets Fund	Other	Limited by shares	Non-mutual		69.00%	69.00%	69.00%		Dominant	69.00%	Included in the scope		Method 1: Adjusted equity method
225	IE	213800WMGE9HAO3C8T72	LEI	Legal & General QIAIF ICAV – Lifesight Credit 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
226	IE	2138001AYM65AHV7GZ76	LEI	Legal & General QIAIF ICAV - Lifesight 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
227	IE	213800L61YN7S44URN71	LEI	Legal & General QIAIF ICAV - Lifesight ESG 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
228	IE	213800VUJYEDLOYXBM68	LEI	Legal & General QIAIF ICAV - Lifesight Higher Targer Return Diversified 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
229	IE	213800GCOFTPBRQYZW94	LEI	Legal & General QIAIF ICAV - Lifesight Medium Target Return Diversified 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
230	GB	213800JH9QQWHLO99821GB05130	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
231	BM	213800QVB8WWDL51HK08	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
232	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
233	GB	213800JH9QQWHLO99821GB00000	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
234	GB	213800JH9QQWHLO99821GB00010	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
235	GB	213800JH9QQWHLO99821GB00020	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
236	BM	213800JH9QQWHLO99821BM00030	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
237	GB	213800JH9QQWHLO99821GB06010	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
238	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
239	BM	213800JH9QQWHLO99821GB09100	Specific code	Legal & General SAC 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: Adjusted equity method
240	GB	213800JH9QQWHLO99821GB11080	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
241	GB	21380086J19TV5KAYV16	LEI	Legal & General Short Dated Sterling Corporate Bond Index Fund	Other	Limited by shares	Non-mutual		14.24%	14.24%	14.24%		Significant	14.24%	Included in the scope		Method 1: Adjusted equity method
242	LU	213800JH9QQWHLO99821LU96010	Specific code	Legal & General SICAV	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	LU	213800CWHOHPVRFZDA88	LEI	Legal & General SICAV - L&G Absolute Return Bond Fund	Other	Limited by shares	Non-mutual		83.59%	83.59%	83.59%		Dominant	83.59%	Included in the scope		Method 1: Adjusted equity method
244	LU	2138006RKFXVH1NL4H90	LEI	Legal & General SICAV - L&G Emerging Markets Short Duration Bond Fund	Other	Limited by shares	Non-mutual		34.02%	34.02%	34.02%		Significant	34.02%	Included in the scope		Method 1: Adjusted equity method
245	GB	213800JH9QQWHLO99821GB96110	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
246	GB	213800JH9QQWHLO99821GB96120	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

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									Criteria of influence						Inclusion in the scope of Group		Group solvency
	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
247	GB	213800JH9QQWHLO99821GB96130	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
248	GB	213800JH9QQWHLO99821GB96140	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
249	GB	213800JH9QQWHLO99821GB06050	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
250	GB	213800JH9QQWHLO99821GB06060	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
251	IE	2138002EQ2WSEOQT1X67	LEI	Legal & General UCITS ETF Plc - L&G Asia Pacific ex Japan Equity UCITS ETF	Other	Limited by shares	Non-mutual		13.94%	13.94%	13.94%		Significant	13.94%	Included in the scope		Method 1: Adjusted equity method
252	IE	2138008QHWVA5WUDSW97	LEI	Legal & General UCITS ETF Plc - L&G ESG China CNY Bond UCITS ETF	Other	Limited by shares	Non-mutual		46.47%	46.47%	46.47%		Significant	46.47%	Included in the scope		Method 1: Adjusted equity method
253	IE	213800APRKITDTPSGS59	LEI	Legal & General UCITS ETF Plc - L&G ESG GBP Corporate Bond 0-5 Year UCITS ETF	Other	Limited by shares	Non-mutual		80.99%	80.99%	80.99%		Dominant	80.99%	Included in the scope		Method 1: Adjusted equity method
254	IE	213800RYEYWA2DLT6X36	LEI	Legal & General UCITS ETF Plc - L&G ESG GBP Corporate Bond UCITS ETF	Other	Limited by shares	Non-mutual		72.86%	72.86%	72.86%		Dominant	72.86%	Included in the scope		Method 1: Adjusted equity method
255	IE	213800RJN8I6V7AW9Z31	LEI	Legal & General UCITS ETF Plc - L&G ESG USD Corporate Bond UCITS ETF	Other	Limited by shares	Non-mutual		79.77%	79.77%	79.77%		Dominant	79.77%	Included in the scope		Method 1: Adjusted equity method
256	IE	213800KG6EAHEGIQGM48	LEI	Legal & General UCITS ETF Plc - L&G UK Gilt 0-5 Year UCITS ETF	Other	Limited by shares	Non-mutual		79.48%	79.48%	79.48%		Dominant	79.48%	Included in the scope		Method 1: Adjusted equity method
257	IE	213800XROKSRGL3IHR64	LEI	Legal & General UCITS ETF Plc- L&G ESG Emerging Markets Government Bond (USD) 0-5 Year UCITS ETF	Other	Limited by shares	Non-mutual		85.16%	85.16%	85.16%		Dominant	85.16%	Included in the scope		Method 1: Adjusted equity method
258	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
259	GB	213800JH9QQWHLO99821GB06210	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
260	GB	213800JH9QQWHLO99821GB06070	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
261	GB	213800JH9QQWHLO99821GB06080	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
262	GB	213800JH9QQWHLO99821GB06090	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
263	GB	213800JH9QQWHLO99821GB06100	Specific code	Legal & General UK BTR GP Two 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
264	GB	213800JH9QQWHLO99821GB06110	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
265	GB	213800KE8SS7VUVDUC06	LEI	Legal & General UK Equity Income Fund	Other	Limited by shares	Non-mutual		19.13%	19.13%	19.13%		Significant	19.13%	Included in the scope		Method 1: Adjusted equity method
266	GB	213800NX4TBD1QVV8S45	LEI	Legal & General UK Smaller Companies Trust	Other	Limited by shares	Non-mutual		27.10%	27.10%	27.10%		Significant	27.10%	Included in the scope		Method 1: Adjusted equity method
267	GB	213800JH9QQWHLO99821GB061120	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
268	GB	213800KF6Q6WAXR53184	LEI	Legal & General Unit Trust Managers II - Legal & General Global Thematic Fund	Other	Limited by shares	Non-mutual		29.07%	29.07%	29.07%		Significant	29.07%	Included in the scope		Method 1: Adjusted equity method
269	GB	213800R36KUIPTVPN290	LEI	Legal & General Unit Trust Managers III - Legal & General Future World Sustainable Global Equity Focus 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
270	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
271	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
272	IE	213800L86D1H1HFASJ20	LEI	LGIM (Ireland) Risk Management Solutions Plc - In Respect of the 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
273	IE	2138004IJ8KA1W3MEA50	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
274	IE	213800F687CJ8P5MNS13	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
275	IE	213800TUDKQ1JXA35704	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
276	IE	213800NRUJOVYNWRRZ17	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
277	IE	2138004VCDEILQMHHS87	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
278	IE	2138006LWBRVWFMWSR02	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
279	IE	2138009MLH74KJ96LF76	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM 2030 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
280	IE	2138002AD2JAFG2T6X21	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
281	IE	213800U83I2RPLZVB906	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
282	IE	213800XCOZ105OOSYS07	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
283	IE	213800QTCAOHWTNPNB95	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
284	IE	213800QGQWR4NDVE5X78	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
285	IE	213800XKA7X3OGZJRC45	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
286	IE	213800RHT43PL1VAUN95	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
287	IE	2138002W643ZACLLU115	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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

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Undertakings in the scope of the group

									Criteria of influence						Inclusion in the scope of Group supervision		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
288	IE	213800WCLGVVDNJOVA05	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
289	IE	213800TRZCGU73DGNZ53	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
290	IE	213800M9P63GXX67CQ14	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
291	IE	21380034FZCG7S6OZU34	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
292	IE	213800FRM52MADDUAR40	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
293	IE	2138009YI5CV66N93D59	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
294	IE	2138003DTGLQ5WKKJL61	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
295	IE	213800B1WK9EDRE4XJ19	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
296	IE	213800JH9QQWHLO99821GB26168	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
297	IE	2138001ZX589S6983H89	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
298	IE	213800X4P3DELXHNNM12	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
299	IE	213800F22H8H831GMX30	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
300	IE	213800ZT35HUVVCDOH47	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
301	IE	2138009RYH3G9FAOYE66	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
302	IE	213800KO5KOPP3HEFI93	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
303	IE	213800IC7AS1E1NLHA08	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
304	IE	213800PTOPXK9AUQ7V89	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
305	IE	213800FBORGLUCYWB664	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
306	IE	21380047SAW8H8ENBN97	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
307	IE	2138007ORTV9VXAYYA73	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
308	IE	213800CCHZX2GDIMPA29	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
309	IE	2138006KKHYFORYLOA07	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
310	IE	213800D1PPMCE5H33G17	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
311	IE	2138009FVE6UF4UAWA73	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
312	IE	213800E9II7HTHQZ8R17	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
313	IE	213800S2NZF9VFTUI661	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
314	IE	2138009UJIT5OWO4JC12	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
315	IE	213800CZ9HIK5L8B4Y57	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
316	IE	213800OM2RDQP5ARFF46	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
317	IE	213800SMJTDAAXRRKI85	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
318	IE	213800TP1HHPAIHNCE07	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
319	IE	2138006S1FXHNAOWPZ38	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
320	IE	2138006IX8XRER3BOH57	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
321	IE	2138003L433Y11U7AU83	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
322	IE	213800PPM6S53F9K9213	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
323	IE	213800T5LQ2LGMMAOI69	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
324	IE	2138004K17E3Z9M83U25	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
325	IE	213800S5LQFRI6HM2V51	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
326	IE	21380027445JPBRWB915	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
327	IE	213800ZD58YSGFJSUZ32	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
328	IE	213800IKB7LGRH4AXM75	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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

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	Undertakings in the scope of the group								Criteria of influence						Inclusion in the scope of Group supervision		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
329	IE	213800VCBJOLL9LSL567	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
330	IE	213800C7OB99DS6LPW19	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
331	IE	213800Z73UNTZIHW5X36	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
332	IE	213800P7XO6XLQ6IPL95	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
333	IE	2138002PKAKXQ5Q2BE78	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
334	IE	2138004PRIMWLWO1V574	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
335	IE	213800BV31BWC1ODI682	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
336	IE	2138002L8VGMTR4DW161	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
337	IE	213800V6DIAHJCDUKY81	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
338	IE	213800CN3Y1FGA2L6W51	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
339	IE	213800AJ6D4G7XTQ1V31	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
340	IE	2138005QASULGIJZLE45	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
341	IE	2138003RTFQMWGXTU493	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
342	IE	2138009NUIECLOXWUD14	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
343	IE	213800P4WIFFTUIR9G73	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
344	IE	213800UKSF2RC5NDBU63	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
345	IE	213800JAGEAQIIY4JS42	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
346	IE	2138006RVV3EJYP3SP69	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
347	IE	213800JBBUPAI69DAM52	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
348	IE	213800D4YLJWSDCMH413	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
349	IE	213800PPU8E841B71G28	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Hedging - Fund R	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	2138004Z5FHE5QEZC240	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
351	IE	213800MYEI4SX4CYT593	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
352	IE	213800MV5NBQ3QV7U351	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
353	IE	2138009DZ6GVB5SLN174	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
354	IE	213800UGW572KMZDVY23	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
355	IE	213800JS6SCR26913L70	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
356	IE	213800CRXY7E8IFNAF35	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
357	IE	2138006VGU2BITSZCT06	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Leveraged Synthetic Eqquity Fund (GBP	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	213800845SOH6NS76382	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Maturing Buy & Maintain Credit Fund 2020-	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	2138001WG1YGVD1X1Q23	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Maturing Buy & Maintain Credit Fund 2025-	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	213800YTFLI5DV4NGT67	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Maturing Buy & Maintain Credit Fund 2030-	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	213800XU2TDQMVAENN66	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Maturing Buy & Maintain Credit Fund 2035-	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	213800EJ6ABPS2JG8F79	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Maturing Buy & Maintain Credit Fund 2040-	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	213800JH9QQWHLO99821GB26237	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
364	IE	213800UY1XDS9H5OCX38	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
365	IE	213800GAZN5GW432GI64	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Solutions - 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
366	IE	213800BNURKBNGJH6C57	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Solutions - Fund AQ	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	213800IVWP4AA11DQJ83	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
368	IE	2138002LUW1MHEH1NV43	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Solutions - 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
369	IE	2138007ICH5Z3UTVHI43	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Solutions - 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

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	Undertakings in the scope of the group								Criteria of influence						Inclusion in the scope of Group supervision		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
370	IE	213800SOHRH1IIBUJ736	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
371	IE	213800YR5T33E12QLV85	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
372	IE	213800ZW9FW6ZEWC9N34	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
373	IE	213800ICFE4SG2YR1922	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
374	IE	213800PKKE299XLXWW61	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Solutions - Fund BZ	Other	Limited by shares	Non-mutual		100.00%	100.00%	100.00%		Dominant	100.00%	Included in the scope		Method 1: Adjusted equity method
375	IE	213800Z9WPDKFRNAPU81	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
376	IE	213800S2ZBCRAQ37OI38	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
377	IE	213800UQVJSRGCAOTE39	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
378	IE	213800MZQDJS2BNRIR50	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
379	IE	213800PMVEZRGPWIAS46	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Solutions - Fund CE	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	IE	2138003JL4YM7RM15B39	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
381	IE	213800O7XIKUAI5WPH35	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
382	IE	213800I1YP4IHO895C50	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
383	IE	2138002QMCI37LG34R75	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
384	IE	2138001DP115156IUE58	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
385	IE	213800PFXY7MUPPIT851	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
386	IE	213800G5GVB7BDHICD14	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
387	IE	213800SE7Q69822A8L63	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
388	IE	213800UYMWDS9N5QJY47	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
389	IE	213800AYE75US33LXC80	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
390	IE	213800XSZSJAALL8RI36	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Solutions - Fund DD	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	IE	2138008F3ZT412OF8J24	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
392	IE	213800GV1FW4VC3M6E62	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
393	IE	213800RPVG811NVTIH12	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
394	IE	213800FJ5QHMLA27NQ60	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
395	IE	2138004BZMFRAN8WRH54	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
396	IE	2138005HVR855LYXE558	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
397	IE	213800EWZESCSLM3L913	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
398	IE	213800NF2336VMJ8QF25	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
399	IE	213800N2XN4IAD5RG812	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
400	IE	213800ZXGMXWXD31J415	LEI	LGIM (Ireland) Risk Management Solutions Plc - 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
401	IE	213800FDP4ROXDJSRS68	LEI	LGIM (Ireland) Risk Management Solutions Plc - LGIM Solutions - Fund P	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	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
403	GB	213800JH9QQWHLO99821GB18241	Specific code	LGIM Corporate Director Limited	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
404	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
405	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
406	IE	213800GI44Q5J2ZGYV46	LEI	LGIM ETF Managers 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
407	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
408	GB	213800JH9QQWHLO99821GB10210	Specific code	LGIM Global Corporate Bond Fund	Other	Limited by shares	Non-mutual		73.00%	73.00%	73.00%		Dominant	73.00%	Included in the scope		Method 1: Adjusted equity method
409	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
410	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

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Undertakings in the scope of the group									Criteria of influence						Inclusion in the scope of Group supervision		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
411	IE	213800JH9QQWHLO99821GB10740	Specific code	LGIM Liquidity Fund 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
412	IE	213800SH16GUU1ZUNX26	LEI	LGIM Liquidity Funds Plc - LGIM Euro Liquidity Fund	Other	Limited by shares	Non-mutual		41.43%	41.43%	41.43%		Significant	41.43%	Included in the scope		Method 1: Adjusted equity method
413	IE	213800JH9QQWHLO99821GB11350	Specific code	LGIM Managers (Europe) 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
414	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
415	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
416	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
417	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
418	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
419	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
420	IE	213800JH9QQWHLO99821GB17170	Specific code	LifeSight Alternative Assets 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
421	GB	213800JH9QQWHLO99021GB07350	Specific code	Maltby Street Properties 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
422	GB	213800JH9QQWHLO99821GB20460	Specific code	Millbrook Village 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
423	GB	213800JH9QQWHLO99821GB07470	Specific code	Newcastle Science Central Developments LLP	Other	Limited by shares	Non-mutual		33.00%	33.00%	33.00%		Significant	33.00%	Included in the scope		Method 1: Adjusted equity method
424	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
425	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
426	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
427	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
428	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
429	GB	213800JH9QQWHLO99821GB06280	Specific code	Performance Retail (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
430	GB	213800JH9QQWHLO99821GB06290	Specific code	Performance Retail (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
431	GB	213800JH9QQWHLO99821GB07290	Specific code	PRLP 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
432	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
433	GB	213800JH9QQWHLO99821GB11125	Specific code	Salary Direct Holdings Limited	Other	Limited by shares	Non-mutual		45.40%	45.40%	45.40%		Significant	45.40%	Included in the scope		Method 1: Adjusted equity method
434	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
435	JE	213800JH9QQWHLO99821GB10860	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
436	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
437	GB	213800JH9QQWHLO99821GB11130	Specific code	Senior Living (Bramshott Place) 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	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
439	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
440	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
441	GB	213800JH9QQWHLO99821GB07390	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
442	GB	213800JH9QQWHLO99821GB07430	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
443	GB	213800JH9QQWHLO99821GB11140	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
444	GB	213800JH9QQWHLO99821GB11150	Specific code	Senior Living (Exeter) 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
445	GB	213800JH9QQWHLO99821GB11155	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
446	GB	213800JH9QQWHLO99821GB07330	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
447	GB	213800JH9QQWHLO99821GB09410	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
448	GB	213800JH9QQWHLO99821GB17440	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
449	GB	213800JH9QQWHLO91821GB08450	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
450	GB	213800JH9QQWHLO99821GB11160	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
451	JE	213800JH9QQWHLO99821GB11440	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

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	Undertakings in the scope of the group								Criteria of influence						Inclusion in the scope of Group supervision		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
452	GB	213800JH9QQWHLO99821GB07340	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
453	GB	213800JH9QQWHLO99821GB07350	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
454	GB	213800JH9QQWHLO99821GB17160	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
455	GB	213800JH9QQWHLO99821GB11185	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
456	GB	213800JH9QQWHLO99821GB11175	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
457	GB	213800JH9QQWHLO99821GB11165	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
458	GB	213800JH9QQWHLO99821GB09420	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
459	GB	213800JH9QQWHLO99821GB11195	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
460	GB	213800JH9QQWHLO99821GB11170	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
461	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
462	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
463	GB	213800JH9QQWHLO99821GB11200	Specific code	Senior Living Tattenhall (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
464	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
465	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
466	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
467	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
468	GB	213800JH9QQWHLO99821GB07480	Specific code	Senior Living Warwick (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
469	GB	213800QJI1LMN74GPL72	LEI	Sennen Finance Designated Activity Company	Other	Limited by shares	Non-mutual	Central Bank of Ireland	-	-	-		Significant	-	Included in the scope		Method 1: Adjusted equity method
470	JE	213800JH9QQWHLO99821JE95030	Specific code	Sheffield Vulcan House 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
471	GB	213800JH9QQWHLO99821GB09330	Specific code	Smartr365 Finance Limited	Other	Limited by shares	Non-mutual		42.50%	42.50%	42.50%		Significant	42.50%	Included in the scope		Method 1: Adjusted equity method
472	JE	213800JH9QQWHLO99821GB11650	Specific code	Smugglers Way Unit Trust	Other	Limited by shares	Non-mutual		16.70%	16.70%	16.70%		Significant	16.70%	Included in the scope		Method 1: Adjusted equity method
473	IE	213800JH9QQWHLO99821GB10150	Specific code	Sterling Liquidity Fund	Other	Limited by shares	Non-mutual		55.78%	55.78%	55.78%		Dominant	55.78%	Included in the scope		Method 1: Adjusted equity method
474	IE	213800DBB4A9OPYN9154	LEI	Sterling Liquidity Plus Fund	Other	Limited by shares	Non-mutual		25.42%	25.42%	25.42%		Significant	25.42%	Included in the scope		Method 1: Adjusted equity method
475	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
476	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
477	JE	213800JH9QQWHLO99821GB09320	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
478	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
479	JE	213800JH9QQWHLO99821GB09350	Specific code	Swandon Way Unit Trust	Other	Limited by shares	Non-mutual		16.70%	16.70%	16.70%		Significant	16.70%	Included in the scope		Method 1: Adjusted equity method
480	JE	213800JH9QQWHLO99821JE95070	Specific code	Synergy Gracechurch 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
481	GB	213800JH9QQWHLO99821GB06400	Specific code	Terminus Road (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
482	GB	213800JH9QQWHLO99821GB06410	Specific code	Terminus Road (Nominee 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
483	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
484	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
485	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
486	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
487	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
488	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
489	GB	213800JH9QQWHLO99821GB10870	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
490	GB	213800JH9QQWHLO99821GB10880	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
491	GB	213800JH9QQWHLO99821GB07420	Specific code	UKPIF Two Founder Partner LP	Other	Limited by shares	Non-mutual		-	-	-		Significant	-	Included in the scope		Method 1: Adjusted equity method
492	IE	213800JH9QQWHLO99821GB10160	Specific code	US Dollar Liquidity Fund	Other	Limited by shares	Non-mutual		44.80%	44.80%	44.80%		Significant	44.80%	Included in the scope		Method 1: Adjusted equity method

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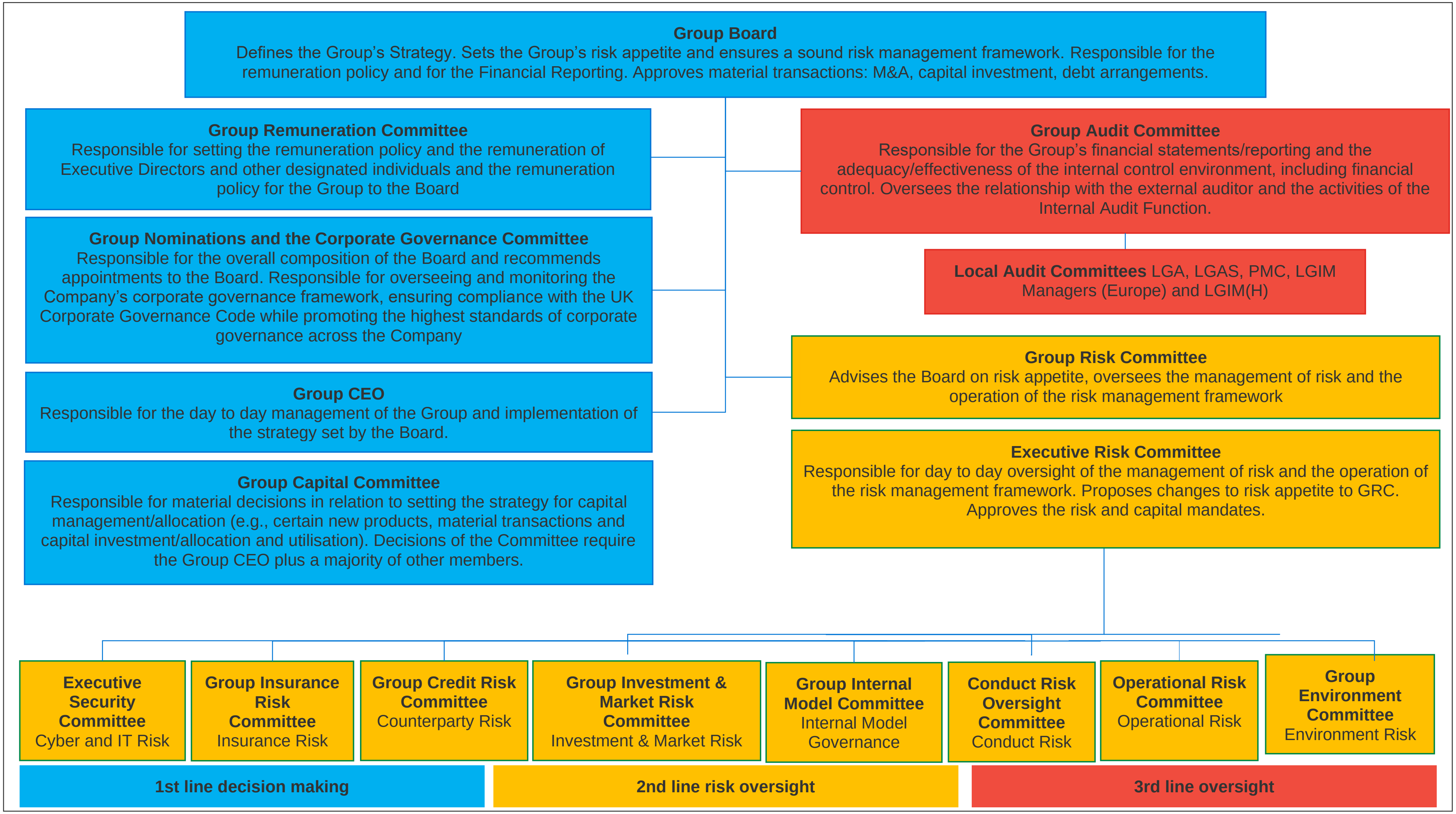
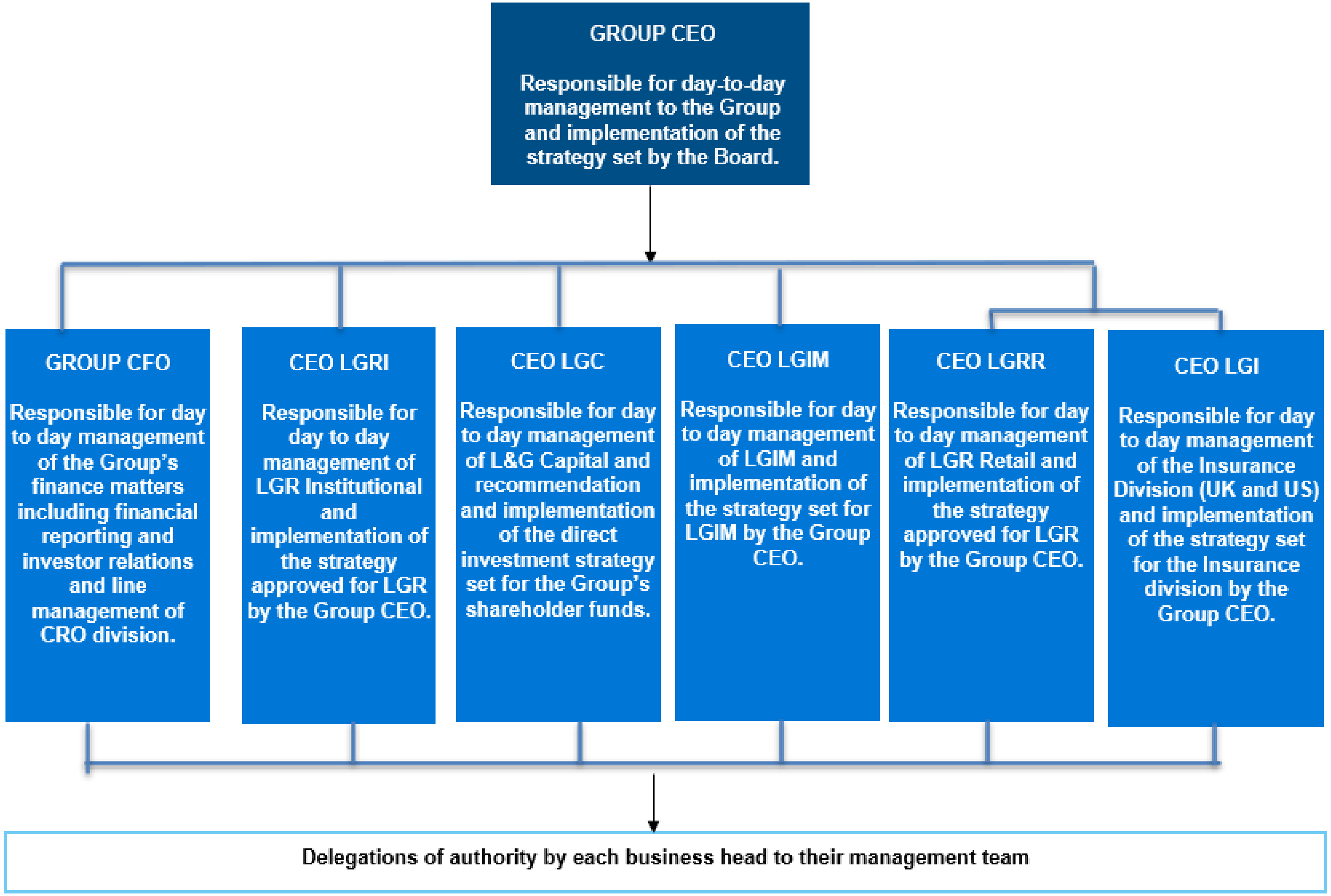
Undertakings in the scope of the group

									Criteria of influence						Inclusion in the scope of Group supervision		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
493	JE	213800JH9QQWHLO99821JE95090	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
494	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
495	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
496	US	5493001KE6Q5DH04LJ92	LEI	William Penn Life Insurance Company of New York	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
497	GB	213800JH9QQWHLO99821GB05495	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 2 – Group Governance Framework




GROUP CEO
Responsible for day-to-day management to the Group and implementation of the strategy set by the Board.
GROUP CFO
Responsible for day to day management of the Group's finance matters including financial reporting and investor relations and line management of CRO division.
CEO LGRI
Responsible for day to day management of LGR Institutional and implementation of the strategy approved for LGR by the Group CEO.
CEO LGC
Responsible for day to day management of L&G Capital and recommendation and implementation of the direct investment strategy set for the Group's shareholder funds.
CEO LGIM
Responsible for day to day management of LGIM and implementation of the strategy set for LGIM by the Group CEO.
CEO LGRR
Responsible for day to day management of LGR Retail and implementation of the strategy approved for LGR by the Group CEO.
CEO LGI
Responsible for day to day management of the Insurance Division (UK and US) and implementation of the strategy set for the Insurance division by the Group CEO.
Delegations of authority by each business head to their management team

Annex 3 – Main Assumptions Underlying Technical Provision

	YE 2021	YE 2020
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	76-86% 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, AM92/AF92 and UK death registrations
Non-smokers	Bespoke tables based on TMS08/TFS08, PCMA00/PCFA00 and UK death registrations	Bespoke tables based on TMN08/TFN08, AM92/AF92 and UK death registrations
Annuities		
Annuities in deferment [5, 6]	76.2% - 86.3% PNMA00/PNFA00	77.3% - 87.1% PNMA00/PNFA00
Bulk purchase annuities in payment [6]	76.2% - 86.3% PCMA00/PCFA00	77.3% - 87.1% PCMA00/PCFA00
Other annuities[6]	65.9% - 109.3% PCMA00/PCFA00	66.8% - 111.7% 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 2019 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 2019 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:

	YE 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%**

	YE 2020		
	Years 1-5	Years 6-10	Years 11+
Level Term	6.8% - 21.4%	3.7% - 7.7%	2.8% - 4.8%
Decreasing Term	5.1% - 12.2%	6.9% - 9.5%	6.4% - 7.8%
Accelerated Critical Illness	6.3% - 22.0%	5.8% - 12.5%	3.2% - 8.8%

Glossary

A

ALM
Asset liability management.

Annuity
A regular payment 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.

B

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).

C

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.

D

DAC
Deferred acquisition costs.

Deduction and Aggregation (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.

E

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.

G

GIMC
Group Internal Model Committee.

I

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.

L

LGA
Legal & General America.

LGAS
Legal and General Assurance Society Limited.

LG Re
Legal & General Reinsurance Limited.

LGC
Legal & General Capital division.

LGI
Legal & General Insurance division.

LGIM
Legal & General Investment Management division.

LGR
Legal & General Retirement 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 60 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
Risk associated with increasing life expectancy trends among policyholders and pensioners.

M

Matching adjustment (MA)
An adjustment to the risk-free interest rate term structure used to calculate the best estimate of a portfolio of eligible insurance obligations. Its use is subject to prior supervisory approval where certain eligibility criteria are met.

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.

N

Notional Solvency Capital Requirement
A Notional Solvency Capital requirement is calculated for a specific group of business, such as the With-Profits Fund, on a standalone basis.

O

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.

P

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.

Q

QRTs
Quantitative reporting templates.
Templates defined by EIOPA for the regular reporting of financial information.

R

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.

Legal & General

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.

S

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
Taking effect from 1 January 2016, the Solvency II regulatory regime is a harmonised prudential framework for insurance firms in the EEA. This single market approach is based on economic principles that measure assets and liabilities to appropriately align insurers' risk with the capital they hold to safeguard policyholders.

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.

T

Technical provisions (TP)
The sum of the best estimate liabilities and the risk margin.

TMTP
Transitional measure on technical provisions.

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.

V

Value-at-risk (VaR)
The estimated loss for a given probability over a one-year period.

Y

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.