M&G plc

Single Group Solvency and Financial Condition Report

31 December 2024

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Rounding convention
The information in the main body of the SFCR is presented in pound sterling and rounded to the nearest million. The information in the reporting templates contained as an appendix to this document are presented rounded to the nearest thousand pound sterling. Therefore, in the main body of the report, rounding differences of +/- one million can occur.

Summary

Purpose of this document

The purpose of the Solvency and Financial Condition Report (SFCR) is to provide information required by the Solvency II regulatory framework in respect of M&G plc and its subsidiaries (collectively "the Group") as at 31 December 2024. This report sets out aspects of the Group's business performance, system of governance, risk profile, valuation for solvency purposes and capital management. The SFCR has been prepared in accordance with the relevant Solvency II regulations.

The Solvency II regime was adopted into the United Kingdom (UK) legislative and regulatory framework on 1 January 2016. Following the UK's departure from the European Union and the end of the Brexit transitional period, the SFCR as at 31 December 2024 has been prepared under the Solvency II rules as on-shored in the UK legislative and regulatory framework, now modified by the Prudential Regulation Authority's (PRA) 2024 reforms.

This report has been prepared in compliance with the PRA Rulebook, specifically adhering to the requirements outlined in the 'Public Disclosure' section, which mandates the structure and content of the Solvency and Financial Condition Report (SFCR). The structure of this report follows the format set out in the PRA Rulebook and discloses the information referred to in the relevant sections. The report also contains narrative information in quantitative and qualitative form, supplemented, where appropriate, with quantitative templates.

From 4 November 2021, the Group has been granted approval under a waiver from the PRA to prepare a single Group Solvency and Financial Condition Report (Group SFCR). The Group SFCR includes the required information for M&G plc, as well as its UK insurance subsidiaries including The Prudential Assurance Company Limited (PAC) and Prudential Pensions Limited (PPL).

The waiver does not extend to Prudential International Assurance plc (PIA) and this entity continues to produce a solo SFCR under the Solvency II rules as transposed in the Republic of Ireland for the year ended 31 December 2024.

References to M&G plc throughout this document relate to the M&G plc entity. In the context of financial information this refers to consolidated financial information for the Group unless otherwise stated. Financial information in respect of the M&G plc stand-alone entity is clearly marked. References to 'the Group', in all contexts, refers to group-wide information, policies, processes and procedures, and applies equally across M&G plc, PAC and PPL where it is relevant to each entity.

M&G plc's consolidated statutory financial statements have been prepared in accordance with UK-adopted International Accounting Standards (IAS) and the legal requirements of the Companies Act 2006, whilst PAC and PPL apply UK Generally Accepted Accounting Principles (UK GAAP) to prepare their solo entity statutory financial statements. References to the Own Funds, Surplus, SCR and Solvency position and any other numerical information within the Summary and Sections A to C are unaudited. Further information on the scope of the audit can be found in the Independent Auditor's Report.

Group Background

The Group is an internationally recognised active asset manager and an established life business, with a well-capitalised With-Profits Fund. It serves approximately 4.5 million individual customers, who want to build and protect their life savings, and provides investment solutions to more than 900 institutional clients. Our customers and clients consist of a broad range of individuals, pension funds, insurance companies, wealth managers, financial advisers and other distribution partners. The Group serves its savings and insurance customers under the Prudential brand in the UK and Europe, and under the M&G Investments brand for asset management clients globally. As at 31 December 2024, the Group's Assets under Management and Administration (AUMA) was £346bn (2023: £344bn).

The Group currently operates across three operating segments: Asset Management, Life and Corporate Centre. The Group's operating segments have been revised during the year to reflect a change in management structure. We have simplified our operating model by bringing together Wealth and Life under one segment; 'Life'. Comparatives for 2023 are re-presented on the new segment basis. The Asset Management segment, with £159.8bn external AUMA as at 31 December 2024 (2023: £154.2bn), includes both Wholesale and Institutional business. The Life segment, with £185.1bn AUMA as at 31 December 2024 (2023: £188.0bn), predominantly comprises the PruFund investment proposition and traditional with-profits business as well as annuities, corporate pensions and platform and advice business. In addition, there are £1.0bn of corporate assets as at 31 December 2024 (2023: £1.3bn).

The Group is comprised of two main subsidiaries, which own the majority of the Group's regulated entities: PAC, an insurance company providing life and savings products to individual clients, and M&G Group Limited (MGG), an asset manager, described in more detail below.

PAC

PAC was founded in the United Kingdom in 1848, and is a provider of savings and retirement income products. PAC's goal is to give individual savers and financial advisers access to the Group's investment and capital management capabilities, in a wide range of structures and formats.

PAC's long-term products consist of life insurance, pension products and pension annuities. In common with other UK long-term insurance companies, PAC's products are structured as either with-profits participating products, or non-participating products including annuities in payment and unit-linked products. Depending on the structure, the level of shareholders' interest in the value of policies and the related profit or loss varies.

PAC consists of the With-Profits Fund and the Shareholder-backed business. The With-Profits Fund is the largest of its kind in the UK. It is made up of two ring-fenced with-profits sub-funds: the With-Profits Sub-Fund (WPSF) and the Defined Charge Participating Sub-Fund (DCPSF). PAC's company structure is shown in the table below.

Summary (continued)

Figure 1: Company structure

<table>
<tr><th colspan="5">The Prudential Assurance Company Limited (PAC)</th></tr>
<tr><th colspan="3">Shareholder-backed business</th><th colspan="2">With-Profits Fund</th></tr>
<tr><td colspan="2">Shareholder Fund</td><td rowspan="2">Non Profit Sub-Fund (NPSF)</td><td rowspan="2">With-Profits Sub-Fund (WPSF)</td><td rowspan="2">Defined Charge Participating Sub-Fund (DCPSF)</td></tr>
<tr><td>General Insurance Fund</td><td>Other</td></tr>
</table>

New with-profits contracts are predominantly written in the WPSF, where the shareholders are entitled to an amount up to one-ninth of the bonus declared, and the remaining divisible profit is allocated to policyholders.

For PAC, under UK GAAP, the portion allocated to shareholders is recognised as profit when customers access their savings, meaning profit tends to arise at the end of the contract. This profit is referred to as the shareholder transfer. Hedging activities are undertaken to reduce volatility in profit emergence from shareholder transfers. For M&G plc, under IFRS 17, the contractual service margin for with-profits business is based on the expected value of shareholder transfers, and is released as profit over the life of the contract as services are provided.

For the business written in the DCPSF, the charges accrue to shareholders who also meet the corresponding expenses. Profits arising in the DCPSF are attributed wholly to DCPSF policyholders. The shareholders' profit arises as the difference between charges and expenses.

All profit on business written outside of the With-Profits Fund is attributable to shareholders. In 2024, new business written includes three Bulk-Purchase Annuity transactions for a combined premium of £0.9bn.

PPL

PPL was established in 1971, as a UK insurance subsidiary to PAC. PPL accepts reinsurance from both PAC, its immediate parent company, and external parties in respect of corporate pension schemes. In addition, PPL sells direct investment-only business to group pension schemes. Most of PPL's products are unit-linked products, but it also has a small book of annuities that are wholly reinsured to PAC.

M&G Investments

M&G Investments provides asset management services to wholesale clients and institutional clients, and manages the majority of the Group's assets. It focuses on active management across public and private markets. Its business is underpinned by deep and broad investment expertise across both fund management and extensive in-house research capabilities.

M&G Investments operates through M&G Group Limited (MGG), a main subsidiary of the Group. MGG's wholesale clients have access to a broad range of actively managed investment products, including Equities, Fixed Income and Multi-Asset. The Group serves these clients through its many business-to-business relationships both in the UK and overseas, which include independent financial advisers, high-street banks and wealth managers. MGG's institutional investors include pension funds, insurance companies and banks from around the world, who invest through segregated mandates and pooled funds into a diverse range of Equities, Fixed Income and Real Estate investment products and services.

Business and performance

Performance of businesses

Total performance of the Group is measured using IFRS result before tax. Underwriting performance is measured using adjusted operating profit before tax, the Group's non-GAAP alternative performance measure, as this is less affected by short-term market volatility and non-recurring items than IFRS result before tax. The main adjusting item between adjusted operating profit before tax and IFRS result before tax is short-term fluctuations in investment returns.

Adjusted operating profit before tax increased by 5% to £837 million for the year ended 31 December 2024 (2023: £797 million), an increase of 19% in Asset Management was partly offset by small reduction in Life.

Asset Management adjusted operating profit before tax increased to £289 million for the year ended 31 December 2024 (2023: £242 million) driven by the combination of a 1% increase in revenue to £1,008 million (2023: £995 million) and a 2% reduction in operating costs to £774 million (2023: £791 million).

Adjusted operating profit before tax from our Life business reduced by £9 million to £746 million (2023: £755 million) with decreases in with-profits and shareholder annuities, offset by an improvement in the result in Other Life.

The loss in Corporate Centre has decreased by £2 million to £198 million (2023: £200 million).

For further detail on the operating segments, please see section A.1.3.

IFRS result before tax was a loss of £(332)m (2023: £421m profit) and reflects adjusted operating profit before tax, and profit or loss before tax from adjusting items.

Further information on adjusted operating profit before tax, statutory profit before tax, and the bridge between the two, is provided in Section A.2. A full description of Key Performance Measures (KPMs) and further commentary on these results is contained within the Business and Financial Review and Supplementary Financial Information in the M&G plc 2024 Annual Report and Accounts.

Further information on the performance of PAC and PPL is included in Section A.2.

Details on other significant events can be found in Section A.1.4.

System of governance

The M&G plc Board has responsibility for the oversight, governance, direction, long-term sustainability and success of the business and affairs of the Group and is responsible to shareholders for creating and delivering sustainable shareholder value. Key subsidiaries have their own separate Boards recognising their obligation to take decisions independently in the interest of their customers and clients, as well as to meet relevant legal and governance responsibilities. The Boards have established a number of Committees to support their decision making which are independently overseen by Non-Executive Directors (NEDs).

To assist the Boards in identifying and managing significant risks, the Group has implemented a Group Governance Framework (GGF). This defines the Group's approach to governance and internal controls to ensure the business meets internal and external requirements and standards. The GGF is adhered to by the Group's subsidiaries and includes information and policies to ensure a consistent approach to the way colleagues work and make decisions.

The Group's governance is designed to support a clear understanding and delivery of its strategy. The GGF sets out the respective roles and responsibilities between M&G plc and its subsidiaries, allowing for the appropriate management of potential conflicts of interest, as well as the required interactions and two way flow of information and escalation of issues.

Further information on the system of governance including information on the composition of its Boards, Committees, key functions, risk management and internal control system is provided in Section B.

Risk profile

Risk is defined as the uncertainty the Group faces in successfully implementing its strategies and objectives. This includes all internal and external events, acts, or omissions that have the potential to threaten the success and survival of the Group, the interests of its customers and clients, or the broader market.

As part of its business operations, the Group takes on risks on behalf of shareholders, its customers, and its clients. The Group generates value by selectively taking risks within approved appetite levels and which are aligned to delivering its strategy, where such risks are adequately rewarded, and can be appropriately quantified and managed to safeguard the Group's commitments to shareholders, customers and clients and its ability to comply with regulations and protect its reputation.

The Group is exposed to a number of financial and non-financial risks including but not limited to underwriting risk, market risk, credit risk, liquidity risk and operational risk. Further information on the Group's risk profile including information on risk definitions, exposures, measurement, concentrations, mitigations and sensitivities is provided in Section C.

Valuation for solvency purposes

Solvency II valuation rules have been applied to value the Group's assets and liabilities for the purposes of Solvency II reporting:

i Technical provisions are held in respect of liabilities to policyholders. As a general principle, technical provisions under Solvency II are valued at the amount for which they could theoretically be transferred immediately to a third party in an arm's length transaction. The technical provisions consist of a best estimate liability (BEL) and the risk margin, reduced by a transitional measure on technical provisions (TMTP) where relevant.

ii Assets and liabilities other than technical provisions are valued under Solvency II at the amount for which they could be exchanged between knowledgeable and willing parties in arm's length transactions. Assets and liabilities other than technical provisions are valued separately using methods that are consistent with this principle in accordance with the valuation approaches set out in the PRA Rulebook.

The own funds and capital requirements for a number of the Group's non-insurance related undertakings carrying out financial activities, the most significant of which are MGG, Investment Funds Direct Limited (the main operating entity of the M&G platform business) and Prudential Capital Public Limited Company (PruCap) (the Group's treasury function), are included using sectoral rules (if regulated) or notional sectoral rules (if non-regulated).

As at 31 December 2024 the excess of assets over liabilities on a Solvency II basis was:

Figure 2: Excess of assets over liabilities on a Solvency II basis

As at 31 December		M&G plc £bn	PAC £bn	PPL £bn
2024	**Excess of assets over liabilities**	**14.9**	**15.5**	**0.1**
2023	Excess of assets over liabilities	15.7	16.4	0.1

The Group's excess of assets over liabilities is £12bn higher than its IFRS Shareholders' Equity, whilst the excess of assets over liabilities for PAC and PPL are £13bn and £6m higher than their UK GAAP Shareholders' Funds respectively. There are a number of valuation differences between the two statutory bases and the Solvency II basis, the most significant being the treatment of surplus in PAC's With-Profits Fund. Excess assets over liabilities in PAC's With-Profits Fund are included under Solvency II and offset via the ring-fence fund restriction. For M&G plc, under IFRS 17 a liability (£8.0bn at 31 December 2024, (2023: £8.2bn) net of an estimate of the effect of mutualisation as described in Note 1 of the 2024 M&G plc Annual Report and Accounts) is held in the With-Profits Fund that reflects the additional amounts expected to be paid to current or future policyholders as measured on an IFRS basis (in accordance with paragraph B71 of IFRS 17). For PAC, 100% of the Fund for Future Appropriations (the excess of assets over policyholder liabilities, as measured on a UK GAAP basis, yet to be appropriated between policyholders and shareholders) is treated as a liability on a statutory accounts basis under UK GAAP (£14.7bn at 31 December 2024, (2023: £14.9bn)).

The Group's best estimate non-economic assumptions have been updated following their annual review, the most material update being in respect of longevity assumptions changes. Further detail is provided in Section D.2.

Following a consultation process, HM Treasury has published the final proposed Solvency II reform package and plans for implementing the changes to the UK's prudential regime.

On 28 February 2024 the PRA released Policy Statement (PS) 2/24 covering the reforms to the Transitional Measure on Technical Provisions calculation (TMTP) and updated Supervisory Statements and Statement of Policy. As a result of these reforms the TMTP has been recalculated as at 31 December 2024 in line with the approach taken at 31 December 2023, with no Financial Resources Requirement (FRR) restriction. From 1 January 2025 the new TMTP calculation methodology in PS2/24 will be introduced. The new TMTP calculation methodology is simpler, removing the need to recalculate liabilities under the previous Solvency I regime.

Reforms of the matching adjustment (MA) came into force as at 30 June 2024 with further reforms coming into force at 31 December 2024. The reforms include greater investment flexibility, revised MA eligibility rules, and more flexibility in processes. They also introduced a requirement for senior manager attestations on the level of Fundamental Spread and MA, changes to the calculation of the MA (firms must consider the requirement for additions to the Fundamental Spread); and revisions to reporting (e.g. the introduction of a new regular Matching Adjustment Asset and Liability Information Return - MALIR). The MA Attestation statement and corresponding MA Attestation Report is due to be submitted to the PRA on or before 8th April 2025. The MALIR is due to be submitted no later than 2nd July 2025. The MA attestation is completed by the PAC Chief Financial Officer.

In 2024 we applied for a modification to the requirements in the PRA Rulebook to report non-life reporting templates privately to the PRA and publicly in the SFCR. This application was approved in December 2024, and as such we have not reported any non-life reporting templates, nor the non-life components in combined reporting templates, in any of our submissions for 31 December 2024.

Further information on the valuation of assets, technical provisions and other liabilities of the Group for solvency purposes is provided in Section D, including a discussion of the differences between Solvency II and the statutory accounts valuation bases.

Capital management

The primary focus of the Group's capital management framework is to maintain financial strength and reward shareholders with attractive returns. This is achieved through actively managing M&G plc's solvency position and the quality of capital held.

When deploying additional capital, the Group prioritises investments in the business that can generate long-term sustainable earnings growth. Any investment will always be measured against the financial attractiveness of capital returns, as well as the Group's Risk Appetite Framework which sets out key trigger points for the management of solvency, liquidity, and dividend volatility.

Total capital generation was £1,108 million for the year ended 31 December 2024 (2023: £358 million) with lower operating capital generation being more than offset by a much improved result from market movements and the impact of removing the eligible own funds restriction.

Operating capital generation decreased to £933 million (2023: £996 million). A reduction to £644 million (2023: £752 million) in underlying capital generation is partly offset by an improvement to £289 million (2023: £244 million) in other operating capital generation. Model improvements of £160 million (2023: £126 million) include the impact from the full rebuild of the prospective with-profits modelling which took place in 2024. This rebuild reduces future shareholder transfers offset by a larger reduction in capital backing the shareholder transfers. Overall, the rebuild reflects that fewer management actions are taken to protect the With-Profits Fund which means under the 1-in-200 scenario shareholder transfers remain higher, reducing capital requirements. This has no impact on policyholder protection. Additionally, assumption changes benefit of £163 million (2023: £10 million loss) reflects the positive impact from changes to longevity assumptions consistent with the benefit seen in adjusted operating profit and is due to lower assumed level of future mortality improvements.

The Group's shareholder Solvency II coverage ratio increased to 223% (31 December 2023: 203%). Shareholder Solvency II surplus increased to £4.7 billion as at 31 December 2024 (31 December 2023: £4.5 billion), with a reduction in the SCR offsetting a decrease in eligible own funds.The regulatory Solvency II coverage has remained stable at 168% (2023: 167%), as seen in Figure 5.

Subsequent to 31 December 2024, the M&G plc Board has declared a second interim dividend for 2024 of 13.5 pence per ordinary share (an estimated £321m in total to be paid on 9 May 2025, see section A.5.4).

The own funds eligible to cover the Solvency Capital Requirements (SCR) and Minimum Capital Requirements (MCR), as used in the capital generation figures above, are shown in the tables below, sub-split by tiering reflecting their quality. There are limits on the amount of own funds in different tiers that can be used to demonstrate solvency. Further details including restrictions on the type of own funds eligible to cover these requirements is contained in Section E.1.

Summary (continued)

Figure 3: Eligible own funds to cover the MCR

		2024 M&G plc £m	2024 PAC £m	2024 PPL £m	2023 M&G plc £m	2023 PAC £m	2023 PPL £m
Eligible own funds to cover the MCR	Tier 1 - unrestricted	**7,474**	**9,298**	**84**	6,758	8,827	78
	Tier 1 - restricted	**—**	**—**	**—**	—	—	—
	Tier 2	**321**	**—**	**—**	311	—	—
	Tier 3	**—**	**—**	**—**	—	—	—
	Total	**7,795**	**9,298**	**84**	7,069	8,827	78

Figure 4: Eligible own funds to cover the SCR

		2024 M&G plc Excluding OFS[1] £m	2024 M&G plc Including OFS £m	2024 PAC £m	2024 PPL £m	2023 M&G plc Excluding OFS[1] £m	2023 M&G plc Including OFS £m	2023 PAC £m	2023 PPL £m
Eligible own funds to cover the SCR	Tier 1 - unrestricted	**7,474**	**8,619**	**9,298**	**84**	6,758	7,908	8,827	78
	Tier 1 - restricted	**—**	**—**	**—**	**—**	—	—	0	—
	Tier 2	**2,486**	**2,486**	**—**	**—**	3,063	3,063	0	—
	Tier 3	**548**	**548**	**400**	**—**	320	320	387	—
	Total	**10,508**	**11,653**	**9,699**	**84**	**10,141**	**11,291**	**9,214**	**78**

1. Other financial sector (OFS) undertakings primarily include MGG, Prudential Capital Public Limited Company and Investment Funds Direct Limited that are included in the Group own funds using their sectoral or notional sectoral rules.

M&G plc, PAC and PPL have been granted approval by the PRA to calculate their SCRs based on the Internal Model, which reflects the key risks they are exposed to. For M&G plc and PAC, the most significant risks are market risks (primarily credit risk and equity risk) and longevity risk. For PPL, the most significant risks are underwriting risks (primarily expense risk and persistency risk).

Figure 5: Regulatory Solvency Position Summary

As at 31 December		Own funds £m	SCR £m	Surplus £m	Solvency ratio %	MCR £m	Eligible funds available to cover MCR m
2024	**M&G plc**	**11,653**	**6,945**	**4,708**	**168 %**	**1,609**	**7,795**
	PAC	**9,699**	**6,192**	**3,507**	**157 %**	**1,548**	**9,298**
	PPL	**84**	**27**	**57**	**315 %**	**12**	**84**
2023	M&G plc	11,291	6,766	4,525	167 %	1,556	7,069
	PAC	9,214	5,969	3,245	154 %	1,492	8,827
	PPL	78	29	49	267 %	13	78

M&G plc, PAC and PPL met their SCR and MCR requirements at all times during 2024.

Shareholder and With-Profits Fund views of solvency

The With-Profits Fund belongs entirely to PAC and its view of the Solvency II capital position represents the standalone capital strength of the Group's ring-fenced With-Profits Fund, taking into account the assets, liabilities, and risk exposures within that fund.

As the surplus in the With-Profits Fund is not available to meet losses elsewhere in the Group, the regulatory capital position limits the contribution of the With-Profits Fund to M&G plc and PAC's own funds to the level sufficient to cover its SCR (i.e. a 100% coverage ratio), via a ring-fenced fund restriction. As at 31 December 2024, this treatment results in the regulatory solvency ratio being lower than for both the With-Profits Fund and the residual shareholder-backed business, as shown below.

Figure 6: Shareholder and With-Profits Fund views of the Solvency II capital position

		M&G plc				PAC				PPL
		Shareholder view	With-Profits Fund view	Ring-fenced fund restrictions	Regulatory view[1]	Shareholder view	With-Profits Fund view	Ring-fenced fund restrictions	Regulatory view[1]	Shareholder view and regulatory view
	As at 31 December	£m	£m	£m	£m	£m	£m	£m	£m	£m
2024	**Own Funds**	**8,524**	**8,894**	**(5,765)**	**11,653**	**6,570**	**8,894**	**(5,765)**	**9,699**	**84**
	SCR	**3,816**	**3,129**	**—**	**6,945**	**3,063**	**3,129**	**—**	**6,192**	**27**
	Surplus	**4,708**	**5,765**	**(5,765)**	**4,708**	**3,507**	**5,765**	**(5,765)**	**3,507**	**57**
	Solvency ratio (%)	**223 %**	**284 %**	**—**	**168 %**	**214 %**	**284 %**	**—**	**157 %**	**315 %**
2023	Own Funds	8,927	9,529	(7,165)	11,291	6,850	9,529	(7,165)	9,214	78
	SCR	4,402	2,364	—	6,766	3,605	2,364	—	5,969	29
	Surplus	4,525	7,165	(7,165)	4,525	3,245	7,165	(7,165)	3,245	49
	Solvency ratio (%)	203 %	403 %	—	167 %	190 %	403 %	—	154 %	267 %

1. The contribution of the With-Profits Fund to the regulatory solvency position is restricted to the own funds required to cover its SCR.

The Group uses the shareholder view of the Solvency II capital position as its main solvency metric to manage the business, as this is considered to provide a more relevant reflection of their capital strength. The shareholder Solvency II capital position and solvency ratio are calculated excluding the contribution to own funds and SCR from the ring-fenced With-Profits Fund when in surplus. For M&G plc and PAC, this calculation results in the same Solvency II surplus but a higher solvency ratio.

Development of Solvency II capital position during the reporting period
The Group has a disciplined approach to managing balance sheet risk. This has provided protection against significant adverse market-driven effects on the Solvency II capital position.

The Group's shareholder Solvency II coverage ratio increased to 223% (31 December 2023: 203%). Shareholder Solvency II surplus increased to £4.7 billion as at 31 December 2024 (31 December 2023: £4.5 billion), with a reduction in the SCR offsetting a decrease in eligible own funds. Eligible own funds includes Present Value of future Shareholder Transfers (PVST) of £4.3 billion (31 December 2023: £4.0 billion). The increase in surplus reflects the total capital generation of £1,108 million, partly offset by negative capital movements of £924 million. These were mainly the payment of dividends to shareholders and the impact of subordinated debt deleveraging actions. The reduction in SCR is driven by model changes and rise in yields

Our With-Profits Fund continues to have a substantial Solvency II surplus and a coverage ratio of 284% (2023: 403%). The fall in ratio reflects a distribution of excess surplus from the With-Profits inherited estate and an increase in the SCR. A component of the increase in SCR arises from a full rebuild of the prospective with-profits modelling.

Reflecting the With-Profits Fund's strong solvency position, a decision was made to rationalise and simplify the number of protective management actions which may be taken in extreme stress scenarios to ensure that management are not unnecessarily constrained as regards the actions that they may take in extreme stress and thereby have appropriate freedom to act to protect the long-term interests of policyholders. This increases the capital requirements of the With-Profits Fund. The fund retains a substantial solvency buffer and there are no changes to policyholder outcomes. See section D.2. for further detail.

PAC retains a shareholder Solvency II surplus of £3,507m (2023: £3,245m). The shareholder surplus has increased over 2024, which predominantly reflects the operating capital generation over the year, partially offset by the impact of market movements over 2024 and the payment of the dividend to M&G plc of £650m (2023: £500m).

The PPL Solvency II surplus has increased slightly to £57m (2023: £49m). The increase is predominately driven by the operating capital generation partially offset by the impact of market movements over the year. The PPL TMTP remains at zero following the impact of 2023 Solvency UK reforms.

Reconciliation of the Solvency II capital position disclosed in the Annual Report and Statutory Accounts to the SFCR
A reconciliation between the shareholder view of the Solvency II capital position to the regulatory view included in the reporting templates included in the Appendix to this document is provided in Section E.1.2.

Sensitivity of the solvency ratio to matching adjustments and transitional measures
The regulatory solvency ratio is underpinned by the use of a matching adjustment for M&G plc and PAC to calculate the technical provisions on its annuity business and by a transitional measure on technical provisions (TMTP). Without these items the solvency ratio would change as set out in the table below.

Figure 7: Solvency ratio without the matching adjustment and TMTP

As at 31 December		M&G plc			PAC			PPL[1]	
		As reported	Without the matching adjustment	Without TMTP	As reported	Without the matching adjustment	Without TMTP	As reported	Without TMTP
2024	**Regulatory view**	**168 %**	**117 %**	**165 %**	**157 %**	**104 %**	**154 %**	**315 %**	**315 %**
	Shareholder view	**223 %**	**127 %**	**218 %**	**214 %**	**107 %**	**208 %**	**315 %**	**315 %**
2023	Regulatory view	167 %	106 %	162 %	154 %	92 %	149 %	267 %	267 %
	Shareholder view	203 %	108 %	194 %	190 %	88 %	181 %	267 %	267 %

1. PPL did not apply a matching adjustment as at 31 December 2024 or 31 December 2023 and PPL's TMTP is zero at 31 December 2024 and 31 December 2023.

Additional information on the components of the Group's own funds and SCR is provided in Section E.

A Business and performance (unaudited)

A.1 Business

A.1.1 Company details

Name and legal form

M&G plc

M&G plc is a public limited company incorporated in England and Wales on 2 July 2018 as Voyager Dallas Holding Company Limited with company number 11444019. Voyager Dallas Holding Company Limited changed its name to M&G Prudential Limited on 3 July 2018, to M&G Prudential plc on 24 July 2019 when it was re-registered as a public limited company and to M&G plc on 16 September 2019. The legal entity identifier of the Company is 254900TWUJUQ44TQJY84.

Its ordinary shares are listed on the London Stock Exchange.

M&G plc is the holding company of the Group.

PAC

The Prudential Assurance Company Limited is a company limited by shares incorporated and registered in England and Wales.

PAC is a wholly owned subsidiary of M&G Group Regulated Entity Holding Company Limited. M&G Group Regulated Entity Holding Company Limited's principal activity is that of an intermediate holding company with subsidiaries engaged in underwriting long-term insurance business and asset management. PAC's ultimate parent company is M&G plc.

PPL

Prudential Pensions Limited is a company limited by shares incorporated and registered in England and Wales and is a wholly owned subsidiary of PAC.

Registered offices

M&G plc, PAC and PPL registered offices are:

10 Fenchurch Avenue

London

EC3M 5AG

Supervisory authority and Group supervisory authority

M&G plc, PAC and PPL are supervised by the PRA, the lead supervisor in accordance with the Financial Services and Markets Act 2000 (FSMA). The contact details are:

Prudential Regulation Authority

20 Moorgate

London

EC2R 6DA

External auditor

M&G plc, PAC and PPL are audited by PricewaterhouseCoopers LLP. The contact details are:

PricewaterhouseCoopers LLP

7 More London Riverside

London

SE1 2RT

Holders of qualifying holdings

As at 31 December 2024, there were no holders of qualifying holdings in M&G plc (being a holder of 10% or more of the capital or voting rights). M&G Group Regulated Entity Holding Company Limited is the only holder of qualifying holdings in PAC, and PAC is the only holder of qualifying holdings in PPL.

For details of significant shareholders in M&G plc, see the Directors' Report in the M&G plc 2024 Annual Report and Accounts.

A Business and performance (unaudited) (continued)

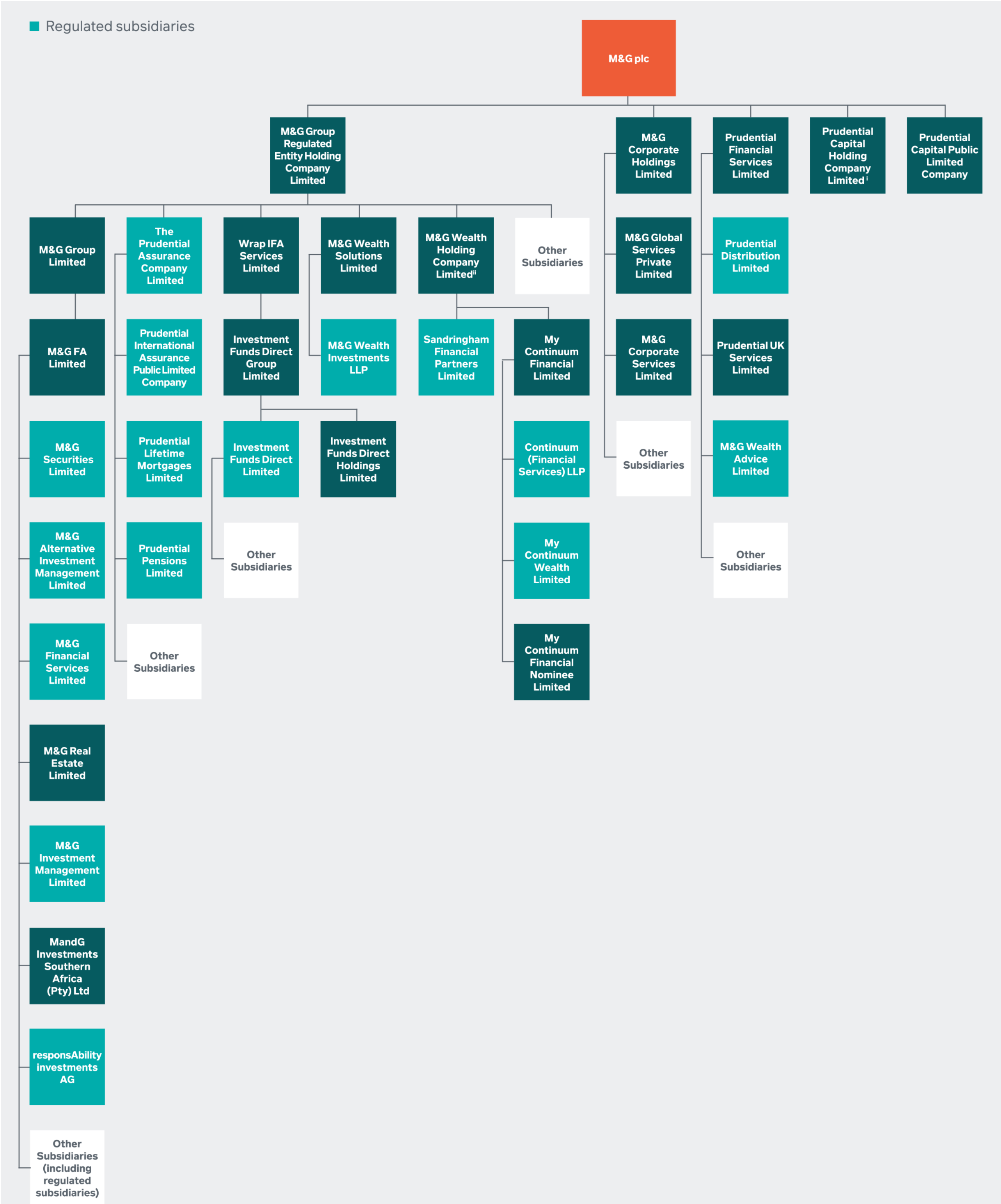
A.1 Business (continued)

A.1.2 Group structure

A.1.2.1 Legal structure of the Group and related undertakings

Figure 8 is an extract of the Group structure as at 31 December 2024 and gives an overview of the composition of the Group. M&G plc is the principal holding company and ultimate parent of the Group.

Figure 8: Simplified structure of M&G plc as at 31 December 2024



i In Liquidation.
ii Renamed from Clear View Assured Limited.

A Business and performance (unaudited) (continued)

A.1 Business (continued)

The Group comprises subsidiaries that primarily undertake Insurance and Asset Management activities. The table below lists the main operating subsidiaries in the Group as at 31 December 2024. The subsidiaries below are all wholly owned.

Figure 9: Main subsidiaries of the Group

Subsidiary	Main activity	Country of incorporation
The Prudential Assurance Company Limited (PAC)	Insurance	England and Wales
Prudential Pensions Limited (PPL)	Insurance	England and Wales
Prudential International Assurance plc (PIA)	Insurance	Republic of Ireland
M&G Group Limited (MGG) (including subsidiaries)	Asset Management	England and Wales
Prudential Capital Public Limited Company	Financial services	England and Wales

The principal insurance subsidiary of M&G plc is PAC, which in turn owns two smaller insurance companies, PPL and PIA. PAC and PPL's customers are primarily based within the UK. PIA is based in the Republic of Ireland and operates in the UK and internationally.

MGG is the holding company for the Group's Asset Management business operating both in the UK and internationally.

Prudential Capital Public Limited Company provides professional treasury services to the Group and also acts as a market-facing intermediary for Group corporate hedging programs.

The remaining entities in the Group perform a range of services, including employee services, wealth platform and advice, and infrastructure services.

A list of the Group's related undertakings comprising subsidiaries, joint ventures, associates and other significant holdings (being holdings of more than 20%) is contained within Note 39 to the consolidated financial statements of the M&G plc 2024 Annual Report and Accounts.

A.1.2.2 Information on the scope of the Group

All entities under Group supervision are described in reporting template IR.32.01.22 Undertakings in the scope of the group - M&G plc', included in the Appendix to this report.

M&G plc's Solvency II balance sheet has been prepared using the default accounting consolidation based method (described as "Method 1"), which may give rise to differences in the scope and method of consolidation used compared to the statutory consolidated financial statements.

The most material difference in the scope of consolidation relates to Open Ended Investment Companies (OEICs), Luxembourg domiciled Sociétés d'Investissement à Capital Variable (SICAVs), unit trusts and other investment funds meeting the definition of a subsidiary under IFRS ("participation" under Solvency II). The assets and liabilities of the majority of these funds are consolidated on a line-by-line basis within the IFRS consolidated financial statements, with a corresponding liability recognised in respect of third party interests. Under Solvency II only the proportional share of these funds, owned by the Group, is shown as a single line participation in the Solvency II balance sheet.

Further information on the scope and method of consolidation is described in Section D.

A.1.2.3 Group solvency

For the purposes of calculating the Group's solvency position, a range of rules apply to the different undertakings in the Group and these, as at 31 December 2024, are summarised in the table below in respect of the main entities. A full list of the entities within scope of the Group, and the method of Group solvency calculation, is provided in IR.32.01.22 in the Appendix.

Figure 10: Approach to calculate solvency for main entities within scope of the Group

Related undertaking	Regulatory framework
Insurance companies (PAC, PIA, PPL)	Solvency II Internal Model
MGG (and subsidiaries)	IFPR[1] sectoral requirements
Prudential Capital Public Limited Company and Prudential Portfolio Management Group Limited	Notional sectoral requirements, based on IFPR[2]
Investment Funds Direct Limited	IFPR[1] sectoral requirements
Prudential Lifetime Mortgages Limited	MIPRU[3] sectoral requirements

1. The IFPR (Investment Firms Prudential Regime) came into effect from 1 January 2022.
2. These undertakings are not regulated. As at 31 December 2024, their contribution has been calculated assuming IFPR rules were to apply.
3. Prudential Sourcebook for Mortgage and Home Finance Firms, and Insurance intermediaries.

Under Solvency II, related undertakings subject to sectoral or notional sectoral requirements, as well as certain other regulated undertakings are not consolidated on a line-by-line basis as they would be under IFRS. They are instead presented within the single line 'Holdings in related undertakings, including participations' in the Solvency II balance sheet.

Further detail on the treatment of these undertakings within the Group's Solvency II capital position is provided in Sections D and E.

A Business and performance (unaudited) (continued)

A.1 Business (continued)

A.1.3 Business and performance

The Group's operating segments have been revised during the year to reflect a change in management structure. We have simplified our operating model by bringing together Wealth and Life under one segment; 'Life'". Comparatives for 2023 are re-presented on the new segment basis.

Further information on the operating segments, including note of the entities which operate within those segments, can be seen below.

A.1.3.1 Asset Management (M&G plc)

The Group's investment management capability is offered to both wholesale and institutional clients. The Group's wholesale clients invest through either UK domiciled OEICs or Luxembourg domiciled SICAVs and have access to a broad range of actively managed investment products, including Equities, Fixed Income and Multi-Asset. The Group serves these clients through its many business-to-business relationships both in the UK and overseas, which include independent financial advisers, high-street banks and wealth managers. The Group's institutional investors, include pension funds, insurance companies and banks from around the world, who invest through segregated mandates and pooled funds into a diverse range of Equities, Fixed Income and Real Estate investment products and services.

The Asset Management segment generates revenues by charging fees which are typically based on the level of assets under management. The Asset Management segment also earns investment management revenues from the management of a significant proportion of Life assets it manages.

A.1.3.2 Life (M&G plc, PAC, PPL)

The Life business operates in the savings and pensions market and includes corporate risk solutions, individual life and pensions, international solutions and advice.

During 2023, the Life business re-entered the bulk purchase annuity (BPA) market and transacted with certain schemes to secure the annuity benefits of immediate and deferred annuity members. This activity continued in 2024 and included the completion of our first Value Share BPA deal in November. The BPAs, along with workplace pensions, make up our corporate risk solutions.

Individual products include annuity contracts: level annuities, which provide a fixed annuity payment; fixed increase annuities, which incorporate a periodic automatic fixed increase in annuity payments; and inflation-linked annuities, which incorporate a periodic increase based on a defined inflation index. Some inflation-linked annuities have minimum and/or maximum increases relative to the corresponding inflation index. The life products are primarily whole of life assurance, endowment assurances, term assurance contracts, equity release mortgages, income protection, and critical illness products. Investment products include unit-linked contracts and the Prudential bond offering, which mainly consists of single-premium-invested whole of life policies, where the client has the option of taking ad hoc withdrawals, regular income or the option of fully surrendering their bond.

All of the Group's products that give access to the PruFund UK investment proposition are included in Life. The PruFund UK investment proposition gives customers access to savings contracts with smoothed investment returns and a wide choice of investment profiles. Unlike the conventional and accumulating with-profits contracts, no regular or final bonuses are declared. Instead, policyholders participate in profits by means of an increase in their investment, which grows in line with an expected growth rate.

International solutions include our savings businesses based in Ireland and Poland (Prudential International Assurance plc). The Group's products which give non-UK clients access to the PruFund investment proposition are also included.

Advice provides access to a range of retirement, savings and investment management solutions to its clients. These products are distributed to clients through intermediaries and advisers, and include the Retirement Account (a combined individual pension and income drawdown product), individual pensions, ISAs, collective investments and a range of on-shore and off-shore bonds.

Some of the Group's products written through conventional and accumulating with-profits contracts, in the PAC with-profits sub-funds, provide returns to policyholders through 'regular' and 'final' bonuses that reflect a smoothed investment return.

A.1.3.3 Corporate Centre (M&G plc only)

Corporate Centre includes central corporate costs and debt costs.

A.1.4 Significant business or other events that have a material impact on the Group over the reporting period

A.1.4.1 Simplification (M&G plc)

During 2024 we continued the simplification of the business to provide better outcomes for customers and clients. This included the decision to simplify our operating model bringing together Wealth and Life under one 'Life' segment, and the delivery of further cost savings under our transformation programme.

A.1.4.2 Deleveraging actions (M&G plc)

In June 2024 we announced deleveraging actions which comprised a repurchase of £161m of 5.56% Sterling fixed rate subordinated notes for a consideration of £150m and the redemption of all £300m 3.875% Sterling fixed rate subordinated notes in issue. The reduction in our debt resulted in a decreased leverage ratio of 33% at 31 December 2024, from 35% at 31 December 2023.

A.1.4.3 Acquisitions (M&G plc)

On 8 March 2023, M&G Wealth Advice Limited (MGWAL), a wholly owned subsidiary of the Group, acquired a 49.9% holding in My Continuum Financial Limited (MCFL), the holding company of Continuum (Financial Services) LLP (CFSL), My Continuum Wealth (MCW), and My Continuum Financial Nominee Limited (MCFNL), collectively referred to as 'Continuum', for a purchase consideration of £22m, including an adjustment for capital. The Group acquired a further 25% stake on 19 March 2024, for a purchase consideration of £12m, including an

A Business and performance (unaudited) (continued)

A.1 Business (continued)

adjustment for capital. Subsequently, as part of a group reorganisation, Continuum has been sold from MGWAL to M&G Wealth Holding Company Limited (MGWHCL), another subsidiary of the Group, in the year.

Continuum is now part of our Life segment, allowing us to further grow and build our advisory capability across the UK, providing a wider range of investment solutions to more clients, including through its central investment offering, and a fast growing in-house discretionary Model Portfolio Service. Continuum is based in Plymouth and has more than 70 self-employed advisers operating nationally.

On 29 October 2024, M&G Real Estate Limited (MGRE), a wholly owned subsidiary of the Group, acquired 65% of the entire issued share capital of BauMont Real Estate Capital Limited (BauMont), for a purchase consideration of £13m.

BauMont is now part of the Group's Asset Management segment, bolstering M&G's value-add capability, enabling us to drive growth through the expansion of our real estate client proposition, beyond core, residential and debt strategies. BauMont is based in Paris and London, and manages €1.5 billion of assets in European value-add real estate.

A.1.4.4 Solvency II reforms (M&G plc & PAC)

During 2024, the PRA released four Policy Statements covering changes to be made to the UK prudential regime, aimed at adapting the European Solvency II framework (introduced on 1 January 2016) to the UK market.

- "PS2/24 - Review of Solvency II: Adapting to the UK insurance market" aims to bring simplifications to the Transitional Measures on Technical Provisions calculation, streamlining of internal model rules through the reduction in the number of prescriptive requirements whilst maintaining the robust standards in place under Solvency II, and flexibility for group solvency requirements calculations.
- "PS3/24 - Review of Solvency II: Reporting and disclosure phase 2 near final" sets out the changes to reporting being implemented as part of the PRA reforms to Solvency II, including removing the requirement for firms to submit a Regular Supervisory Report, deletion of certain reporting templates (and consolidation or reduction in frequency of other templates), and specific changes to the requirements for third-country branches. There is a new Life annuities line of business previously included in the Other life insurance line of business category in reporting templates IR.05.03.02 and IR.12.01.02 contained in the Appendix. This is reflected in the figures in section D.2.1.3 and D.2.1.4.
- "PS10/24 - Review of Solvency II: Reform of the Matching Adjustment" sets out reforms relating to the Matching Adjustment implemented on 30 June 2024 and 31 December 2024. The key reforms relate to allowing assets to be included in Matching Adjustment portfolios with 'highly predictable' as opposed to fixed cashflows; removal of a cap on the Matching Adjustment for sub-investment grade assets; allowing 'notched' credit ratings to be used when calculating the Matching Adjustment; and the introduction of a requirement for an annual attestation that the Matching Adjustment reflects compensation for all retained risks. The impact of the MA reforms is a £37m reduction in shareholder own funds which is more than offset by a £53m reduction in shareholder SCR, resulting in a net £16m increase in surplus.
- "PS15/24 - Review of Solvency II: Restatement of assimilated law" sets out the PRA's restatements of Solvency II regulations (assimilated into UK law) into the PRA rules. This included updating or deleting existing cross references across the PRA Rulebook, policy material and other areas to reflect the revocation of Solvency II assimilated law.

A.1.4.5 Rebuild of prospective with-profits modelling (M&G plc & PAC)

During the year, a full rebuild of the prospective with-profits modelling of the PAC With-Profits Fund took place. Reflecting the With-Profits Fund's strong solvency position, a decision was made to rationalise and simplify the number and frequency of which it is assumed that protective management actions may be taken in extreme stress scenarios; the changes ensure that management are not unnecessarily constrained as regards the actions that they may take in extreme stress and thereby have appropriate freedom to act to protect the long-term interests of policyholders. In isolation, this increases the capital requirements of the With-Profits Fund and reduces the regulatory coverage ratio by 8%. Shareholder and regulatory solvency improves by £86m after allowing for the ring-fenced fund restriction. The With-Profits Fund retains a substantial solvency buffer and there are no changes to policyholder outcomes.

A.1.4.6 Dividends (M&G plc and PAC)

The M&G plc Board declared an ordinary dividend of 13.2 pence per share in respect of 2023, totalling £311m, which was paid on 9 May 2024. An interim ordinary dividend of £157m was paid on 18 October 2024, equal to 6.6 pence per share. Additionally, a second interim dividend for 2024 of 13.5 pence per ordinary share, an estimated £321m in total, was declared on 18 March 2025. See section A.5.4 for detail.

The Board announced a refresh of dividend policy on 19 March 2025, with the intention for the future to maintain a progressive and sustainable dividend policy, reflecting the Group's expected business growth and long-term financial performance.

During 2024, the Group's main regulated subsidiaries paid dividends to their parent company. PAC paid dividends totalling £650m and MGG paid dividends of £148m.

A.1.4.7 With-Profits Sub Fund annual bonus declaration and distribution of additional money (M&G plc & PAC)

On 27 February 2024, the With-Profits Fund declared a distribution of £3bn to its traditional with-profits policyholders. This comprised of £2.5bn through the annual with-profits bonus declaration, and a one-off distribution of additional money built up in the fund over many years to eligible traditional with-profits policyholders. The extra distribution of £0.5bn was made by announcing a 1.25% enhancement to the unsmoothed value of plans of these eligible traditional with-profits policyholders. For eligible PruFund customers, a one-off distribution of £0.5bn was shared by increasing the unit price by 0.90%.

A Business and performance (unaudited) (continued)

A.1 Business (continued)

A.1.4.8 Other events with material impact (M&G plc and PAC)

M&G plc and PAC's financial and solvency position also reflects impacts arising from model improvements, changes in assumptions, management actions, and economic variances during the period. The material items are described in Sections A.2 to A.4 and Section E.

A Business and performance (unaudited) (continued)

A.2 Underwriting performance

M&G plc's consolidated statutory financial statements have been prepared in accordance with UK-adopted International Accounting Standards (IAS) and the Companies Act 2006. These consolidated financial statements are published in the M&G plc 2024 Annual Report and Accounts. PAC and PPL use UK GAAP to prepare their solo entity statutory financial statements. PAC and PPL's financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Financial Reporting Standard 103, Insurance Contracts (FRS 103).

The Group uses 'adjusted operating profit before tax' which is management's non-GAAP Alternative Performance Measure (APM) of profitability and is used for key decision making, alongside other metrics, and the internal performance management of its segments. This metric covers both insurance and non-insurance activities and has been used as the measure of underwriting performance discussed in this section.

The Group uses this metric because it demonstrates the Group's longer-term performance and is less affected by short-term market volatility and non-recurring items than IFRS or UK GAAP profit before tax. This measure is not defined under IFRS or UK GAAP and other companies may calculate such measures differently.

A description of the approach to deriving adjusted operating profit before tax, for each of M&G plc's main components of business, is set out in Note 3 to the consolidated financial statements in the M&G plc 2024 Annual Report and Accounts. A description of the approach to deriving adjusted operating profit before tax, for each of PAC's main components of business, is set out in the Key Performance Indicators section of the Strategic Report within The Prudential Assurance Company Limited 2024 Annual Report and Accounts. PAC and PPL use the same AOP methodology. Given the different bases of reporting, the drivers of underwriting performance set out in this section differ somewhat between M&G plc and PAC / PPL. Full details are provided in the commentary.

The key adjusting items between IFRS or UK GAAP profit (statutory profit) and adjusted operating profit before tax are shown in Section A.2.1 below, whilst an analysis of expenses and investment return is given in Section A.5.3.

A.2.1 Adjusted operating profit before tax overview

This section provides a reconciliation between adjusted operating profit before tax and statutory profit for the year as well as a breakdown of adjusted operating profit by material Solvency II line of business, for each of M&G plc, PAC, and PPL. As noted above, statutory results and the adjusted operating profit metric for M&G plc reflect IFRS, whereas for PAC and PPL they reflect UK GAAP, consistent with each entity's financial statements.

M&G plc

The table below reconciles adjusted operating profit before tax to the statutory profit / (loss) for the year.

Figure 11: M&G plc - Reconciliation of adjusted operating profit before tax to statutory profit

	For the year ended 31 December		
	2024 £m	2023 £m	Section
Adjusted operating profit before tax	**837**	797	
Short-term fluctuations in investment returns	**(643)**	(171)	A.3.1
Mismatches arising on application of IFRS 17	**(333)**	(41)	
Restructuring costs and other[1]	**(106)**	(141)	A.4.1
Amortisation and impairment of intangibles acquired in business combinations	**(115)**	(39)	
Statutory profit attributable to non-controlling interests	**17**	16	
Statutory profit/ (loss) before tax attributable to equity holders	**(332)**	421	
Tax (charge) / credit	**(15)**	(112)	
Statutory profit/ (loss) after tax[2]	**(347)**	309	

1. Restructuring costs and other excluded from adjusted operating profit includes costs that relate to the transformation of our business which are allocated to the shareholder. In the year ended 31 December 2024, restructuring costs and other of £106m (2023: £141m) mainly relate to £44m (2023: £73m) in relation to actions taken to reduce our cost base, £21m (2023: £30m) of investment spend in building out capability in our Asset Management business and £17m (2023: £8m) on transformation within the finance function.

2. Profit attributable to equity holders of M&G plc was a £360m loss (2023: £297m profit). The profit attributable to non-controlling interests was £13m (2023: £12m).

A Business and performance (unaudited) (continued)

A.2 Underwriting performance (continued)

The table below shows adjusting operating profit before tax by operating segment and material Solvency II lines of business.

Figure 12: M&G plc - Adjusted operating profit before tax by segment, business and Solvency II line of business

Segment	Business	Solvency II line of business	For the year ended 31 December 2024 £m	2023 £m
Asset Management[1]	Core Asset Management	N/A	**218**	188
	Performance fees and investment income	N/A	**71**	54
	Total Asset Management	**N/A**	**289**	242
Life	With-profits: PruFund	Insurance with-profit participation[2]	**226**	236
	With-profits: Traditional	Insurance with-profit participation[2]	**222**	263
	Shareholder annuities	Other	**308**	331
	Other	Other	**(10)**	(75)
	Total Life		**746**	755
Corporate Centre		**N/A**	**(198)**	(200)
Adjusted operating profit before tax			**837**	797

1. M&G Investments

2. Insurance with-profit participation comprises the shareholder transfers from the With-Profits Fund. For With:profits: Traditional, these may also be indirectly impacted from non-profit business in the With-Profits Fund that would be categorised as 'other' Solvency II line of business.

Adjusted operating profit before tax increased by 5% to £837 million for the year ended 31 December 2024 (2023: £797 million), an increase of 19% in Asset Management was partly offset by small reduction in Life.

Asset Management adjusted operating profit before tax increased to £289 million for the year ended 31 December 2024 (2023: £242 million) driven by the combination of a 1% increase in revenue to £1,008 million (2023: £995 million) and a 2% reduction in operating costs to £774 million (2023: £791 million).

Adjusted operating profit before tax from our Life business reduced by £9 million to £746 million (2023: £755 million) with decreases in with-profits and shareholder annuities, offset by an improvement in the result in Other Life.

With-profits: PruFund adjusted operating profit has decreased from £236 million to £226 million primarily driven by a decrease in the expected return on excess assets of £15 million to £18 million (2023: £33 million) and a reduction in CSM release of £21 million to £221 million (2023: £242 million) driven by a decrease in the amortisation rate. These decreases are partly offset by a reduction in other losses of £26 million to £13 million (2023: £39 million).

Adjusted operating profit for traditional with-profits fell by £41 million from £263 million to £222 million mainly due to a reduction in CSM release of £40 million to £198m (2023: £238m) as a result of both a lower opening CSM balance, largely as a result of negative market movements over 2023, and a reduction in the CSM amortisation rates.

Shareholder annuities adjusted operating profit before tax has decreased by £23 million to £308 million (2023: £331 million). The recurring sources of earnings from the annuity book are primarily the returns on excess assets over and above the IFRS 17 insurance liabilities based on long-term expected investment returns and the release of the CSM. The expected return on excess assets, has decreased by £58 million to £147 million as a result of a reduction in the expected rate of return and in the value of the excess assets. The release of the CSM to adjusted operating profit for shareholder annuities increased by £17 million to £113 million (2023: £96 million), benefitting from a higher CSM. The main driver of the higher CSM arises from changes to our assumptions on future mortality improvements which contributed £244 million. There was a further increase of £25 million relating to changes in persistency assumptions to reflect experience on the lifetime mortgages book.

The improvement in Other Life of £65 million to £10 million loss (2023 £75 million loss) is primarily due to a number of differing one-off items in 2023 and 2024. These include the loss of £24 million in 2023 due to an increase in the provision in 2023 under an agreement to reimburse the With-Profits Fund for its contribution to the costs for growing the business written in Poland that did not repeat in 2024 and a £4 million benefit in 2024 following the exit of our digital wealth partnership with MoneyFarm at the end of 2023. Additionally, actions taken to improve profitability of our platform and advice businesses and the cost base in our service companies contributed to the reduced loss in 2024.

The loss in Corporate Centre has decreased by £2 million to £198 million (2023: £200 million) as a reduction in finance costs on subordinated debt, following repurchase and redemption of the subordinated notes in June and July 2024, was partly offset by a reduction in interest income and profit from our treasury operations. Underlying Head Office expenses remained broadly flat on 2023.

The IFRS result for the year was a loss of £347m compared to a £309m profit in 2023. Adjusted operating profit before tax has been offset by losses on non-operating items predominately from short-term fluctuations in investment returns and an increased loss in the mismatches arising on application of IFRS 17.

Further detail on the adjusted operating profit before tax by segment is set out below, while the items excluded from adjusted operating profit before tax are described in Section A.3.1 (short-term fluctuations in investment returns) and Section A.4.1 (profit/loss on disposal of

A Business and performance (unaudited) (continued)

A.2 Underwriting performance (continued)

businesses, corporate transactions, restructuring costs and other, mismatches arising on the application of IFRS 17, amortisation and impairment of intangible assets acquired in business combinations and non-controlling interests).

Further information on M&G plc's underwriting performance over 2024 and relative to the prior year, as well as other KPMs, is detailed in the 'Business and financial review' of the M&G plc 2024 Annual Report and Accounts.

A Business and performance (unaudited) (continued)

A.2 Underwriting performance (continued)

PAC

The table below reconciles adjusted operating profit before tax to the statutory profit for the year.

Statutory results for PAC reflect UK GAAP profit.

Figure 13: PAC - Reconciliation of adjusted operating profit before tax to statutory profit

	For the year ended 31 December		
	2024	2023 Restated	
	£m	£m	Section
Adjusted operating profit before tax	**789**	521	
Short-term fluctuations in investment returns	**(452)**	(101)	A.3.1
Restructuring and other costs	**(27)**	(30)	A.4.1
Statutory profit / (loss) before tax attributable to equity holders	**310**	390	
Tax (charge) / credit	**(106)**	(101)	
Statutory profit / (loss) after tax attributable to equity holders	**204**	289	

1. The Adjusted operating and Non Operating profit split has been restated for 2023 following a decision to move all hedging of the shareholder transfer from operating profit to non operating profit. Total profit and all other numbers remain unchanged.

The table below shows PAC adjusting operating profit before tax by material Solvency II lines of business.

Figure 14: PAC - Adjusted operating profit before tax by Solvency II line of business

	For the year ended 31 December	
	2024	2023 Restated
	£m	£m
Insurance with-profits participation [1]	**489**	296
Shareholder annuities	**325**	240
Other [2]	**(25)**	(15)
Adjusted operating profit before tax	**789**	521

1. Insurance with-profits participation comprises: the shareholders' transfer from the With-Profits Fund of PAC and the impact of the new business supportability test .

2. Other is comprised of losses on unit linked business.

PAC's total adjusted operating profit before tax of £789m (2023: £521m) was 51% higher than 2023. This consists of £489m (2023: £296m) relating to the shareholder transfer from the With-Profits Fund, £325m (2023: £240m) relating to the annuity business, and a loss of £25m (2023: £15m loss) on unit-linked and other business.

The result from the with-profits business increased to £514m (2023: £316m). This was mainly due to 2023 including the initial one-off impact (£144m loss) for an agreement to revise the schedule of future shareholder transfers. This loss was due to the amount paid in exchange for a higher share of future surplus from certain cohorts of business, the corresponding value of which is not recognised under UK GAAP until the surplus is actually declared in the future. In 2024 revaluation in relation to this agreement resulted in £45m loss (2023: £18m) caused by in-year economic effects. Higher maturity/surrender claims and strong investment returns on both Prufund and other traditional business lines contributed £80m to the increased operating profit. In addition there was a loss of £24m on the strain of writing new business (2023: £20m loss).

The results from the annuities business increased to £325m (2023: £240m). This was mainly due to, assumption changes of £168m (2023: £22m), of which £152m (2023: £25m) related to changes in the longevity assumptions , mainly due to a reduction in the rate of expected future mortality improvements. Both current mortality rates and future improvements assumptions based on the Company's own calibration of the Continuous Mortality Investigation (CMI) 2022 model, have been updated during 2024. The expected return on assets and release of margins for annuities contributed £145m (2023: £171m). Asset trading and the impact of changes in interest rates contributed a profit of £10m (2023: £9m loss). New business profits, model changes, experience variance and other items contributed a profit of £2m (2023: £56m profit), of which in 2023 £46m was from new bulk purchase annuity deals.

Unit linked and other business contributed a loss of £25m (2023: £15m loss) mainly due to movements in various provisions (see section D.3.1.1 for details).

The profit before tax attributable to shareholders decreased by £80m to a profit of £310m at 31 December 2024 (2023: profit of £390m) reflecting a decrease in short term fluctuations of £351m offset by the increase in adjusted operating profit before tax of £268m, and a £3m increase to profit from reduced restructuring costs.

A Business and performance (unaudited) (continued)

A.2 Underwriting performance (continued)

Further information on PAC's performance is detailed in the 'Business review' of its 2024 statutory financial statements.

PPL

The table below reconciles adjusted operating profit before tax to the statutory profit/ (loss) for the year.

Statutory results for PPL reflect UK GAAP profit/(loss).

Figure 15: PPL - Reconciliation of adjusted operating profit before tax to statutory profit

	For the year ended 31 December		
	2024	2023	
	£m	£m	Section
Adjusted operating profit before tax	**6.7**	1.7	
Short-term fluctuations in investment returns	**(2.1)**	(0.5)	A.3.1
Restructuring and other costs	**—**	—	A.4.1
Statutory profit / (loss) before tax attributable to equity holders	**4.6**	1.2	
Tax (charge)/credit	**(1.1)**	(0.5)	
Statutory profit / (loss) after tax attributable to equity holders	**3.5**	0.7	

Adjusted operating profit before tax is attributable to PPL's unit-linked business and insurance business. PPL has written some non-profit annuity business which is fully reassured to PAC and therefore does not contribute towards adjusted operating profit.

The adjusted operating profit before tax has increased compared to 2023 primarily due to £2m reduction in administrative expenses. Further increase in profit is on account of £3m lower M&G investment expenses compared to 2023. The short-term fluctuations in investment returns reflects the unrealised losses on PPL's non-linked UK gilt investments as a result of interest rate movements during the period.

PPL has only one line of business and so adjusted operating profit before tax by segment, business and Solvency II line of business is not required.

A Business and performance (unaudited) (continued)

A.3 Investment performance

A.3.1 Short-term fluctuations in investment returns

As explained in Section A.2, the Group describe their financial performance by reference to adjusted operating profit before tax and statutory profit before tax.

Adjusted operating profit before tax is based on longer-term investment return assumptions. The difference between actual investment returns recorded in the consolidated income statement and expected longer-term returns is reported within short-term fluctuations in investment returns, which captures:

(i) Short-term temporary movements in the fair value of instruments held to mitigate equity risk in the with-profits shareholder transfer, including both cash flow and capital hedges.

(ii) Total fair value movements on other capital hedges, which are solely held to optimise the Solvency II capital position.

(iii) The difference between the actual and long-term expected investment return on surplus assets backing the shareholder annuity capital and, for M&G plc, the shareholders' share of excess assets in the With-Profits Fund.

(iv) The impact of short-term credit risk provisioning and experience variances over the period which are not reflective of the longer-term performance of the business, specifically:

- The impact of credit risk provisioning for short-term adverse credit risk experience;
- The impact of credit risk provisioning for actual upgrades and downgrades relative to best estimate assumptions. This is calculated by reference to current interest rates;
- Credit experience reflecting the impact of defaults and other similar experience, such as asset exchanges arising from debt restructuring; and
- The impact of market movements on bond portfolio weightings and the subsequent impact on credit provisions.

(v) For M&G plc, the difference between the actual CSM release for the period and expected CSM release for the period for with-profits contracts and CSM release for non-profit business in the With-Profits Fund (refer to note 1 of the 2024 M&G plc Annual Report and Accounts for a description of the CSM).

(vi) For M&G plc, foreign exchange movements on non-GBP denominated subordinated debt held in the Corporate Centre.

(vii) For M&G plc, total fair value movement on strategic investments.

M&G plc

M&G plc has experienced increased losses from short-term fluctuations in investment returns of £643 million (2023: £171 million). These primarily comprise a £247 million loss (2023: £121 million loss) from the difference in actual and expected long-term investment return on surplus assets backing the annuity portfolio, which has increased due to a rise in yields during 2024. A £227 million loss (2023: £4 million gain) on interest rate swaps purchased to protect PAC's Solvency II capital position against falls in interest rates driven by rises in risk-free rates in 2024. There were also losses of £98 million (2023: £123 million loss) on hedging instruments held to protect the Solvency II capital position from falling equity markets, due to rises in equity values during the year.

All investment gains or losses during the period were recognised in profit or loss, and none were recognised directly in equity.

An analysis of the absolute level of investment returns in the income statement by asset class is given in Section A.5.3.2.

PAC

For PAC, during 2024 there was an increase in losses from short-term fluctuations in investment returns. Overall losses primarily comprise a £130m loss (2023: £69m loss) from fair value movements on surplus assets in the annuity portfolio and a £227m loss (2023: £4m gain) on interest rate swaps purchased to protect the Company's Solvency II capital position against falls in interest rates, driven by rises in risk-free rates in 2024. The fair value movement on surplus assets in the annuity portfolio differs from the M&G plc result because the value of the annuity liabilities is different between IFRS 17 and UK GAAP. This was offset by a.£25m gain on the revaluation of shareholder subsidiaries (2023: £28m gain)

2023 also included £20m profit in relation to the release of the no-negative equity guarantee provision, following the equity release mortgage restructure and £9m from the termination of the Prufund risk mitigation agreement which were not repeated in 2024.

In addition, there were also fair value losses due to market driven movements of £98m (2023: £123m loss) on the equity hedges used to protect the value of future shareholder transfers from the With-Profits Fund on the Company's Solvency II balance sheet.
An analysis of the absolute level of investment returns in the income statement by asset class is given in Section A.5.3.2.

A.3.2 Investment management fees

The total investment management fees incurred were £141m (2023: £128m) for M&G plc, £316m (2023: £283m) for PAC and £9m (2023: £12m) for PPL.

The increase in PAC's investment management fees in 2024 compared to 2023 was mainly due to a reduction in rebates compared to the previous year. For PPL, investment management expenses have reduced by £3m because of lower M&G investment management expenses. 2023 included one off adjustments to M&G investment expenses related to prior years.

A.3.3 Investments in securitisations

Certain securities classified as asset-backed securities meet the definition of securitisations under Solvency II for the purpose of the Solvency II capital requirements calculation. Investments in securitisations other than those held by related undertakings operating in other financial sectors are subject to specific spread stresses in the calculation in order to ensure that risks arising from securitisation positions are reflected appropriately.

As at 31 December 2024, the value meeting the definition of investments in securitisations was £1,380m (2023: £1,630m) for M&G plc, £1,321m (2023: £1,527m) for PAC and £33m (2023: £52m) for PPL.

A Business and performance (unaudited) (continued)

A.4 Performance of other activities

This section describes other activities and the impact of adjusting items.

A.4.1 Other adjusting items

Other adjusting items includes gains on disposal of businesses and corporate transactions, restructuring costs and other, mismatches arising on the application of IFRS 17, amortisation and impairment of intangible assets acquired in business combinations and non-controlling interests.

Profit/ (loss) on disposal of businesses and corporate transactions (M&G plc, PAC)

Profit on disposal of business and corporate transactions includes gains resulting from the repurchase of subordinated notes in June 2024 (see Note 26 of the M&G plc 2024 Annual Report and Accounts) of £29 million, partly offset by the increase in a provision for redress to customers in the platform business relating to matters which occurred prior to the Group's acquisition of the relevant business. There was no profit or loss on disposal of businesses or corporate transactions in 2023.

Restructuring and other costs (M&G plc, PAC, PPL)

Restructuring and other costs primarily reflect the shareholder allocation of costs associated with the transformation of the Group's business. These costs represent fundamental Group-wide restructuring and transformation and are therefore excluded from adjusted operating profit before tax. For the year ended 31 December 2024, restructuring and other costs were £106m (2023: £141m) for M&G plc, £27m (2023: £30m) for PAC and £5k (2023:£ 10k) for PPL.

Mismatches arising on the application of IFRS 17 (M&G plc)

The application of IFRS 17 results in the following mismatches in valuation basis being recognised in total profit/loss before tax. For the purposes of calculating adjusted operating profit before tax the impact of the mismatch has been excluded.

– Difference between the value under IFRS 17 General Measurement Model for non-profit contracts (primarily annuities) written in the With-Profits Fund and how these contracts are treated in determining their fair value when assessing current and future with-profits contracts under the Variable Fee Approach (see Note 1 of the 2024 M&G plc Annual Report and Accounts for details of the General Measurement model and Variable Fee Approach) loss of £239m (2023: £18m loss) ; and

– Mismatch resulting from measurement of fulfilment cash flows for shareholder non-profit business (primarily annuities) using current interest rates while related changes to the CSM are measured using locked-in rates (see Note 1 of the 2024 M&G plc Annual Report and Accounts for details of the CSM) loss of £89m (2023: £24m loss), and

– Mismatches resulting from measurement differences arising on the accounting for Value Share BPAs related to the definition of the insurance service for the annuity contracts compared to the reinsurance contract and the discount rate used for each type of contract loss of £5m (2023: nil) .

Amortisation and impairment of intangible assets acquired in business combinations (M&G plc)

Amortisation and impairment of intangibles assets of £115 million (2023: £39 million) includes in 2024, £79 million impairment in relation to platform, advice and model portfolio service businesses following the refresh of our Wealth strategy and reassessment of growth forecasts in the current macro-economic environment, and £30 million impairment of responsAbility due to changes in forecast revenue synergies (see Note 13 of the 2024 M&G plc Annual Report and Accounts).

A.4.2 Leasing

Information on leasing arrangements is provided below. Income and expenses relating to leasing arrangements is allowed for, to the extent relevant, in adjusted operating profit before tax disclosed in Section A.2.1 above. Lessee accounting is different under IFRS and UK GAAP and as a result property leases held by PAC which are recognised on the M&G plc IFRS consolidated balance sheet are not recognised on the PAC statutory accounts balance sheet. PPL does not partake in any leasing arrangements.

M&G plc and PAC as a lessor

The Group lets investment properties to tenants through operating leases. As at 31 December 2024, investment properties with a fair value of £14,385m (2023: £15,422m) were held by M&G plc with £5,557m (2023: £6,214m) held by PAC principally in the With-Profits Fund.

In addition, a further £183m (2023: £176m) for M&G plc and £42m (2023: £42m) for PAC of assets are leased under finance leases.

For the year ended 31 December 2024 rental income from investment property was £947m (2023: £956m) for M&G plc and £434m (2023: £442m) for PAC. Direct operating expenses including repairs and maintenance arising from these properties for the year ended 31 December 2024 were £220m (2023: £191m) for M&G plc and £52m (2023: £50m) for PAC.

M&G plc as a lessee

As at 31 December 2024, M&G plc had lease liabilities of £425m (2023: £387m) primarily related to operating leases over land and buildings utilised as office space, of which £126m (2023: £73m) are attributable to the With-Profits Fund. This includes office space in London and Stirling, as well as office space leased by PAC discussed below. The London lease has run since 2018 and is due to expire in 2038, and the Stirling lease commenced in 2022 and is due to expire in 2042. Both leases are non-cancellable.

For the year ended 31 December 2024 there were no lease break options exercisable by the Group.

PAC as a lessee

Amounts related to leases relate to office space in London and Reading under non-cancellable operating leases. The London lease has run since 2002 and ended in September 2022. The lease was set aside and a provision created for the dilapidation and decommissioning costs in 2020 and released in 2024.

A Business and performance (unaudited) (continued)

The Reading lease has run since 2013 and is due to expire in 2030, however there is a break option on that lease in 2025. Part of the property was vacated in October 2022 with the remaining block vacated in December 2024 and accordingly the corresponding value of the right of use (ROU) asset has been impaired and a provision created to cover the unavoidable costs attributable to the vacant portion of property.

A Business and performance (unaudited) (continued)

A.5 Any other information

A.5.1 Additional analysis of statutory profit after tax

M&G plc

The IFRS result after tax for the year ended 31 December 2024 was a loss of £347m (2023: £309m profit), as described in Sections A.2 to A.4 above.

Analysis of the IFRS result is set out in the consolidated income statement, which is shown in Figure 16 below. Under IFRS 17, there is a requirement to present insurance revenue and expenses separately from non-insurance activities. Together with the different measurement of insurance contract liabilities (including the introduction of the contractual service margin), this results in a different presentation of the income statement from that shown for PAC and PPL in Figures 17 and 18, as these entities report under UK GAAP.

Figure 16: M&G plc - Consolidated income statement

	For the year ended 31 December	
	2024 £m	2023 £m
Insurance revenue	**4,095**	3,887
Insurance service expenses	**(2,971)**	(2,834)
Net expenses from reinsurance contracts held	**(28)**	(95)
Insurance service result	**1,096**	958
Interest revenue from financial assets not measured at fair value through profit or loss (FVTPL)	**683**	672
Interest revenue from financial assets measured at FVTPL	**2,666**	2,446
Net change in investment contract liabilities without discretionary participation features	**(461)**	(700)
Net credit impairment (losses)/reversal	**(15)**	2
Other investment return	**5,813**	6,214
Investment return	**8,686**	8,634
Finance expenses from insurance contracts issued	**(8,426)**	(7,318)
Finance (expenses)/income from reinsurance contracts held	**(10)**	39
Net insurance finance expenses	**(8,436)**	(7,279)
Net insurance and investment result	**1,346**	2,313
Fee income	**1,029**	1,003
Other income	**70**	37
Administrative and other expenses	**(2,566)**	(2,241)
Finance costs	**(121)**	(160)
Movements in third party interest in consolidated funds	**363**	(226)
Share of profit from joint ventures and associates	**24**	23
Profit / (loss) before tax[1]	**145**	749
Tax charge attributable to policyholders' returns	**(477)**	(328)
(Loss)/profit before tax attributable to equity holders	**(332)**	421
Total tax charge	**(492)**	(440)
Less tax charge attributable to policyholders' returns	**477**	328
Tax charge attributable to equity holders	**(15)**	(112)
Profit / (loss) for the year	**(347)**	309
Attributable to equity holders of M&G plc	**(360)**	297
Attributable to non-controlling interests	**13**	12
Profit / (loss) for the year	**(347)**	309

1. The profit/(loss) before tax comprises the pre-tax result attributable to equity holders and an amount equal and opposite to the tax charge attributable to policyholder returns. This is the formal measure of profit or loss before tax under IFRS, but it is not the result attributable to equity holders. This is principally because the corporate taxes of the Group include taxes borne by policyholders. These amounts are required to be included in the tax charge of the company under IFRS. The tax charge/(credit) attributable to policyholder returns is removed from the Group's total profit/(loss) before tax in arriving at the Group's profit/(loss) before tax attributable to equity holders. As the net of tax profits attributable to policyholders is zero, the Group's pre-tax profit attributable to policyholders is an amount equal and opposite to the tax charge attributable to policyholders included in the total tax charge.

A Business and performance (unaudited)

A.5 Any other information (continued)

Other comprehensive income in 2024 totalled £23m net of tax (2023: £108m loss). These amounts primarily relate to actuarial gains and losses on defined benefit pensions obligations, and foreign exchange gains relating to foreign subsidiaries. These amounts are net of tax.

Further detail is provided in the consolidated statement of comprehensive income, and the notes to the IFRS consolidated financial statements in the M&G plc 2024 Annual Report and Accounts.

PAC

Profit after tax for the year ended 2024 was a profit of £204m (2023: £289m profit), as described in Sections A.2 to A.4 above. Analysis of UK GAAP profit by nature of revenue and charges is shown in the income statement which is shown in Figure 17 below.

Figure 17: PAC - Income statement, showing total revenue and charges

	For the year ended 31 December	
	2024 £m	2023 £m
Gross premiums earned	**6,667**	7,746
Outward reinsurance premiums	(475)	(445)
Earned premiums, net of reinsurance	6,192	7,301
Investment return	7,488	7,195
Other income	56	33
Total revenue, net of reinsurance	13,736	14,529
Claims incurred and changes in other long-term business and technical provisions	(11,973)	(12,725)
Claims incurred and changes in other long-term business and technical provisions - reinsurers share	243	465
Change in technical provision for linked liabilities	(501)	(533)
Claims incurred and changes in other long-term business and technical provisions – Net of reinsurance	(12,231)	(12,793)
Movement in fund for future appropriations	198	(62)
Net operating expenses	(717)	(749)
Investment expenses and charges	(316)	(283)
Other charges	(11)	(3)
Tax (charge) / credit attributable to policyholders' return	(349)	(249)
Profit / (loss) before tax (being tax attributable to shareholders' returns)	310	390
Tax (charge) / credit attributable to shareholders' returns	(106)	(101)
Profit / (loss) for the financial year	**204**	289

Other comprehensive income in 2024 totalled income of £10m net of tax (2023: £19m loss). These amounts primarily relate to actuarial gains and losses on defined benefit pensions obligations. These amounts are after allocation to the Fund for Future Appropriations.

PPL

Profit after tax for the year ended 2024 was £3m (2023 profit after tax: £1m), as set out in Section A.2.1. Analysis of UK GAAP profit by nature of revenue and charges is shown in the income statement which is shown in Figure 18 below.

A Business and performance (unaudited)

A.5 Any other information (continued)

Figure 18: PPL - Income statement, showing total revenue and charges

	For the year ended 31 December	
	2024	2023
	£m	£m
Investment return	**511**	259
Unrealised gains/(losses) on investments	**(143)**	411
Other income	**15**	17
Total revenue, net of reinsurance	**383**	687
Change in provision for claims - gross amount	**4**	3
Change in provision for claims - reinsurers' share	**(4)**	(3)
Change in technical provisions for linked liabilities	**(365)**	(668)
Net operating expenses	**(3)**	(6)
Investment expenses and charges	**(9)**	(12)
Foreign exchange gains/(losses)	**(2)**	1
Foreign taxation	**—**	(1)
Profit/(loss) on ordinary activities before tax	**4**	1
Tax (charge)/credit attributable to shareholders and policyholders	**(1)**	—
Profit/(loss) after tax	**3**	1

A.5.2 Geographical segmentation

The following table provides a geographical segmentation of M&G plc's total insurance revenue and other income (includes fee income and other income shown in the previous table), as presented in the IFRS consolidated income statement.

Figure 19: Geographical segmentation of insurance revenue and other income

	For the year ended 31 December	
	2024	2023
	£m	£m
UK:		
Insurance revenue	**3,965**	3,765
Fee and other income	**493**	450
Total UK	**4,458**	4,215
Rest of the world:		
Insurance revenue	**130**	122
Fee and other income	**606**	590
Total Rest of the world	**736**	712
Total:		
Insurance revenue	**4,095**	3,887
Fee and other income	**1,099**	1,040
Total	**5,194**	4,927

The geographical analysis of revenues from long-term business is based on the territory of the operating unit assuming the risk. Other income from external asset management clients reflect the domicile of where revenues are generated.

The Group's insurance business (including PAC and PPL) is primarily UK based, whilst the Asset Management business' clients are more widely geographically distributed. Income in PAC and PPL is primarily generated in the UK.

A.5.3 Expenses and investment returns

A.5.3.1 Acquisition costs and other expenditure

M&G plc

Total administrative expenses were £2,566m (2023: £2,241m). Administrative expenses included £171m (2023: £166m) related to acquisition costs and amortisation of deferred acquisition costs, £149m (2023: £159m) of commission expenses, and £141m (2023: £128m) of investment management expenses.

A Business and performance (unaudited)

A.5 Any other information (continued)

A more detailed analysis of the Group's administrative expenses is provided in Note 7 of the consolidated financial statements in the M&G plc 2024 Annual Report and Accounts. This differs from the total expenses reported in the IR.05.02.01 templates in the Appendix to this report as these reflect expenses only in relation to the insurance business of the Group.

PAC

Net operating expenses were £717m (2023: £749m). Net operating expenses included £598m (2023: £608m) related to administrative expenses, £142m (2023: £130m) related to acquisition costs and amortisation/impairment of deferred acquisition costs and £23m income (2023:£11m expense) related to reinsurance commissions and profit participation. Investment expenses and charges are comprised of investment management expenses of £316m (2023: £283m).

Administration expenditure has decreased by £10m mainly due to decreased operating expenses and project costs in 2024. The increase in investment management expenses is detailed in section A.3.2.

PPL

Net operating expenses consist of administrative expenditure of £3m (2023: £6m). Investment expenses and charges of £9m (2023: £12m) are comprised solely of investment management expenses.

Administrative expenditure has reduced by £3m mainly due to £2m transformation project costs included in 2023 but no such expenses incurred in 2024. The decrease in investment management expenses is detailed in section A.3.2.

A.5.3.2 Investment return by asset class

M&G plc

Figure 20: M&G plc - Investment return

	For the year ended 31 December	
	2024	2023
	£m	£m
Income		
Investment properties	**947**	956
Loans	**288**	272
Equity securities and portfolio holdings in unit trusts	**1,923**	2,375
Debt securities	**2,378**	2,174
Other investments (including deposits)	**683**	672
Total income	**6,219**	6,449
Investment gains / (losses) and other investment return		
Investment properties	**(340)**	(1,053)
Loans	**(72)**	66
Equity securities and portfolio holdings in unit trusts	**4,942**	1,779
Debt securities	**(1,495)**	955
Derivatives	**(54)**	1,264
Foreign exchange	**(53)**	(126)
Total investment gains / (losses) and other investment return	**2,928**	2,885
Total investment return	**9,147**	9,334

Note that the total above differs from the total investment return in the 2024 M&G plc consolidated income statement as it excludes £(461)m (2023: £(700)m) in respect of the net change in investment contract liabilities without discretionary participation features.

Total investment return decreased to £9,147m (2023: £9,334m). Investment return from debt securities has decreased by £2,450m moving from positive returns of £955m in 2023 to negative returns of £(1,495)m in 2024 primarily due to unrealised losses on central government and corporate debt securities. Returns from derivatives have also decreased by £1,318m from a gain of £1,264m in 2023 to a loss of £(54)m in 2024.

Investment return from equity securities and portfolio holdings in unit trusts has increased by £3,163m from £1,779m in 2023 to £4,942m in 2024 primarily due to a number of highly positive investment returns on equities in 2024.

A Business and performance (unaudited)

A.5 Any other information (continued)

PAC

Figure 21: PAC - Investment return

	For the year ended 31 December	
	2024	2023
	£m	£m
Income		
Investment properties	434	442
Loans	124	158
Equity securities and portfolio holdings in unit trusts	2,186	3,394
Debt securities	1,595	1,598
Other investments (including deposits)	502	517
Total income	**4,841**	6,109
Investment gains / (losses) and other investment return		
Investment properties	79	(515)
Loans	28	(36)
Equity securities and portfolio holdings in unit trusts	3,852	213
Debt securities	(1,245)	531
Derivatives	(39)	1,087
Foreign exchange (losses)/gains	(39)	(194)
Other investment gains	12	—
Total investment gains / (losses) and other investment return	**2,648**	1,086
Total investment return	**7,489**	7,195

Total income has decreased by £1,268m from £6,109m in 2023 to £4,841m in 2024. This was mainly due to equity securities which contributed a decrease of £1,208m.

Investment return from equity securities and portfolio holdings in unit trusts has increased by £3,639m from an increase in market value of £213m in 2023 to £3,852m in 2024 primarily due to a number of positive investment returns on equities in 2024.

Investment return from debt securities has decreased by £1,776m moving from positive returns of £531m in 2023 to negative returns of £1,245m in 2024 primarily due to unrealised losses on central government and corporate debt securities. Returns from derivatives have also decreased by £1,126m from a gain of £1,087m in 2023 to a loss of £39m in 2024.

Returns from investment property has increased by £594m from a loss of £515m to a gain of £79m in 2024.

PPL

Figure 22: PPL - Investment return

	For the year ended 31 December	
	2024	2023
	£m	£m
Income		
Equity securities and portfolio holdings in unit trusts	**443**	280
Debt securities	**(42)**	(82)
Other investments (including deposits)	**110**	61
Total income	**511**	259
Investment gains/(losses) and other investment return		
Equity securities and portfolio holdings in unit trusts	**(129)**	88
Debt securities	**6**	314
Other investments (including deposits)	**(20)**	10
Total investment gains / (losses) and other investment return	**(143)**	412
Foreign exchange	**(2)**	1
Total investment return	**366**	672

During 2024 there has been a decrease in total investment return which is mainly due to unrealised fair value losses on equity and debt securities as a result of the challenging market conditions towards the end of 2024. This was partially offset by realised gains on equity securities disposed of during the year.

A.5.4 Post balance sheet events

On 4 February 2025, the Group, agreed to acquire a 70% controlling stake in P Capital Partners AB, a Sweden based alternative investment fund manager which provides private credit solutions to European entrepreneur and family-owned companies, and developers of sustainable

A Business and performance (unaudited)

A.5 Any other information (continued)

infrastructure. The transaction is expected to complete later in the year, subject to all conditions necessary for execution to be met and the receipt of the necessary regulatory approvals. The Group will consolidate the results of the acquiree from the date of completion.

On 28 February 2025, the With-Profits Fund declared a bonus distribution of £2.3bn to the with-profits policyholders.

On 10 March 2025, the Group, via M&G Wealth Holding Company Limited, a wholly-owned subsidiary of the Group, acquired the final 25.05% stake in Continuum. Full details of this can be found in Note 2.2 of the M&G plc 2024 Annual Report and Accounts.

Dividend payments (M&G plc,PAC & PPL)

M&G plc
On 18 March 2025, M&G plc declared a second interim dividend for 2024 of 13.5 pence per ordinary share and, an estimated £321m in total. The dividend is expected to be paid on 9 May 2025. This dividend was not deemed foreseeable as at 31 December 2024 and therefore not deducted from own funds.

PAC
On 4 March 2025 PAC approved a final dividend of £383m to be paid to M&G plc. This is not recognised in the 2024 financial statements or the Solvency II position at 31 December 2024 as it is not considered a foreseeable dividend.

PPL
On 4 March 2025 PPL approved a dividend of £20m to be paid to PAC. This is not recognised in the 2024 financial statements or the Solvency II position at 31 December 2024 as it is not considered a foreseeable dividend.

Other (M&G plc, PAC & PPL)
The environment we operate in remains challenging with increased geopolitical uncertainty and market volatility. We are monitoring the impact of the tariffs on imports announced by the US on 2 April 2025 on the global economy and markets. We mainly operate in UK, Europe and Asia and we believe our balanced and integrated business model will allow us to navigate this uncertain environment.

B System of governance (Unaudited)

B.1 General information on the system of governance

B.1.1 Overview

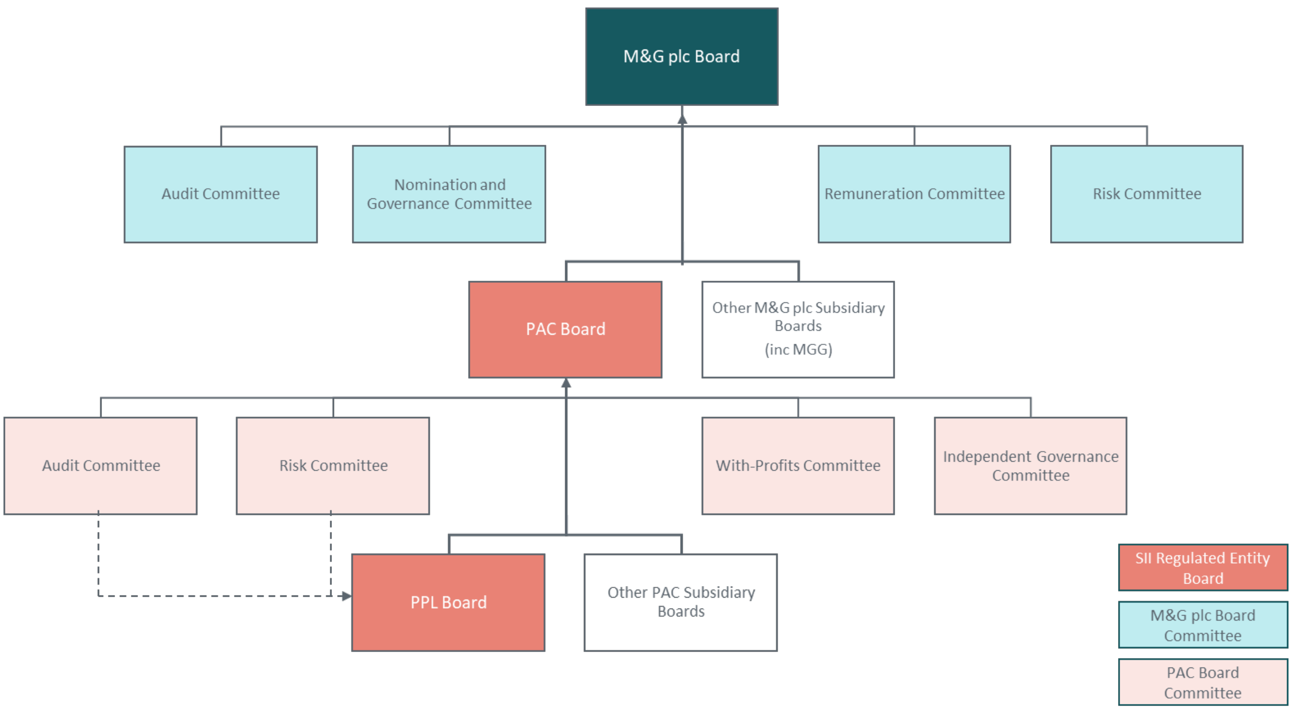
The PRA requires that firms have in place an effective system of governance, which provides for the sound and prudent management of the business. The system of governance must include an adequate and transparent organisational structure with clear allocation and appropriate segregation of responsibilities.

The M&G plc Board has responsibility for the oversight, governance, direction, long-term sustainability and success of the business and affairs of the Group and is responsible to shareholders for creating and delivering sustainable shareholder value. Key subsidiaries have their own separate boards recognising their obligation to take decisions independently in the interest of their customers and clients, as well as to meet relevant legal and governance responsibilities.

The membership of the M&G plc and PAC Boards include independent non-executive directors (NEDs), which is a principle of good corporate governance regarding the balance of Executive Directors and NEDs on the boards and their committees, as set out in the UK Corporate Governance Code applicable to M&G plc. The role of the NEDs includes providing constructive challenge, strategic guidance, offering specialist advice, and holding management to account. Each Director is required to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole.

The M&G plc and PAC Boards have delegated specific responsibilities to Board committees, which operate within clearly defined terms of reference approved by the respective Boards. The M&G plc Board Committees and the PAC Audit and Risk Committees are comprised entirely of independent NEDs. The With-Profits Committee is comprised of independent NEDs, and the Independent Governance Committee is comprised of a majority of independent NEDs. Each committee chair provides regular reports to the boards on the matters covered at the committee meetings. The board and committee structure for M&G plc, PAC and PPL as at 31 December 2024 is set out in Figure 23 below.

Figure 23: Boards and Committees as at 31 December 2024



To assist the boards in identifying and managing significant risks, the Group has implemented a GGF which defines the Group's approach to governance and internal controls to ensure the business meets internal and external requirements and standards. The GGF includes information and policies to ensure a consistent approach to the way colleagues work and make decisions.

The Group's governance is designed to support a clear understanding and delivery of its strategy. Compliance with the GGF policies, including the Risk Management Policy, is assessed annually as part of a formal policy compliance exercise undertaken by the policy owners. The GGF sets out the respective roles and responsibilities between the Company and its subsidiaries, allowing for the appropriate management of potential conflicts of interest, as well as the required interactions and two way flow of information and escalation of issues.

B.1.2 Board Structure and Responsibilities

B.1.2.1 M&G plc

Composition of the M&G plc Board

As at 31 December 2024, the M&G plc Board had ten Directors: a Non-Executive Chair, a Senior Independent NED, six independent NEDs, and two Executive Directors (the Group CEO and the Group CFO).

M&G plc Board Responsibilities

The Board's key responsibilities are detailed in Figure 24 below. In discharging its responsibilities, the M&G plc Board is supported by management and ensures a clear division of responsibilities between the Chair, the CEO, the senior independent director (SID) and the NEDs.

Figure 24: Key M&G plc Board responsibilities

Key Area	Responsibilities
Business, strategy and culture	– Setting the business strategy, purpose, values, standards and culture, taking into account risk appetite, tolerance, other key risk factors and long-term success. – Approval of the strategic aims, objectives and purpose. – Setting the tone for and monitoring culture. – Review of performance in light of the strategic aims. – Review of workforce policies and practices for consistency with the Group's values. – Setting the Environmental, Social and Governance (ESG) strategy and ESG values and principles. – Approving the annual financial budgets and Business Plan. – Making strategic decisions including extension of activities into a new form of business, new markets and/or geographic region(s); decisions to cease to operate and/or divest any material part of the business. – Overseeing the management of potential conflicts within the Group. – Overseeing Consumer Duty.
Financial reporting and controls	– Approving the consolidated Annual Report and Accounts. – Approving periodic reporting, including announcements of annual and half yearly results. – Approving the dividend policy and any periodic dividends, and other corporate actions.
Communication	– Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives. – Ensuring a satisfactory dialogue with other major stakeholders, in particular the workforce. – Approving documentation to be put forward to shareholders and material regulatory and other stock market announcements.
Board and other appointments	– Approving changes to the structure, size and composition of, and appointments to, the Board and its Committees. – Ensuring adequate succession planning for the Board and senior management. – Determining the independence of NEDs in light of their character, judgement and relationships.
Risk and internal controls	– Overseeing effective risk management and internal control processes. – Setting the risk appetite and tolerance. – Periodically reviewing the risk strategy.
Remuneration	– Approving, following recommendation from the Remuneration Committee, the Remuneration Policy; and approving, for submission to shareholders, the Directors' Remuneration Policy.
Structure and capital	– Approving changes relating to capital structure. – Approving the establishment of Medium Term Note and Commercial Paper programmes. – Approving any major changes to the corporate or listed structure.
Delegation of authority	– Approving the delegation of responsibility between the chair, the CEO and other Executive Directors. – Establishing Board Committees and approving their terms of reference.
Other	– Approving major contractual obligations or undertaking with a material contingent liability. – Approving policies escalated by management. – Approving the overall levels of insurance, including Directors' and Officers' liability insurance and indemnification of Directors.

B System of governance (Unaudited) (continued)

B.1 General information on the system of governance (continued)

M&G plc Board and Executive Committees

The M&G plc Board has delegated certain responsibilities to its Committees with the role of each principal Committee summarised in Figure 25 below.

Figure 25: Summary of the role of Board Committees as at 31 December 2024

Committee	Responsibilities
Audit	– Reviewing the effectiveness of the system of internal financial controls and internal control systems and whistleblowing procedures. – Reviewing the financial statements, related announcements and other financial information provided to shareholders and other stakeholders. – Monitoring and reviewing internal audit activities, reports and findings. – Receiving and reviewing reports from external auditors. – Monitoring the effectiveness and independence of external auditors and making recommendations to the Board in respect of their remuneration. – Overseeing sustainability reporting and the development of assurance in relation to this reporting.
Remuneration	– Establishing, approving and maintaining the principles and framework of the remuneration policies and ensuring compliance with those policies. – Determining the design, implementation and operation of remuneration arrangements for the Chair of the Board, the Executive Directors, members of senior management, and 'identified staff' for all remuneration regulations that apply to the Group and overseeing remuneration for individuals whose total remuneration exceeds an amount determined by the Committee from time to time.
Nomination and Governance	– Overseeing the composition of the Board and its Committees. – Assisted by HR, recruitment of new Board members. – Succession planning for the Board and its Committees. – Taking an active role, together with HR and other management, with respect to the diversity and inclusion strategy and associated objectives, including monitoring of their effectiveness.
Risk	– Advising the Board on emerging risks, risk strategy, risk policies, risk appetite and current risk exposures. – Overseeing the implementation and maintenance of the overall Risk Management Framework (RMF) and systems. – Overseeing procedures for detecting fraud, preventing bribery and noncompliance. – Reviewing risk assessment processes and capability to identify and manage new risks. – Assessing risks related to ESG matters within the RMF.

The M&G plc Board and its Committees are supported in their duties by senior management. In particular, the Executive Committee advises the CEO on any matters they require, including but not limited to development and implementation of strategy, operational plans, policies, procedures and budgets; prioritisation and allocation of resources; and promotion of the Group's culture and values.

M&G plc Key Functions

As the Company itself is not authorised by the PRA or FCA, it is not required to identify Key Functions under Solvency II; however, further information on Key Functions identified by PAC can be found in Section B.1.2.2.

Changes in the M&G plc system of governance

There were no material changes to the role and structure of the M&G plc Board and Board committees during 2024. In April 2024, an additional Independent Director was appointed with effect from 1 August 2024, and the acting Senior Independent Director was appointed to be the Senior Independent Director. In July 2024, an additional Independent Director was appointed with effect from 1 October 2024.

B.1.2.2 PAC

Composition of the PAC Board

The PAC Board comprised eight members as at 31 December 2024, which included an independent NED and Chairman, five independent NEDs, and two Executive Directors (the PAC CEO and the PAC CFO). The PAC CEO has responsibility for the operational management of PAC and its subsidiaries and may sub-delegate their authority as they determine.

PAC Board responsibilities

The PAC Board has responsibility for the oversight, governance, direction, long-term sustainability and success of PAC and is authorised to exercise all the powers of PAC subject to complying with the GGF as described in Section B.1.1. The responsibilities of the PAC Board are detailed in terms of reference which are broadly consistent with those of the M&G plc Board described in Figure 24 in the context of PAC as an entity of the Group. In addition the PAC Board is also responsible for:

- With-Profits: ensuring that the interests of the with-profits policyholders are appropriately considered in relation to matters affecting with-profits policyholders as a whole or as separately identifiable groups of policyholders.
- Investment Strategy: inputting into the development of, and approving, the investment strategy relevant to PAC and its direct subsidiaries (PPL, Prudential Lifetime Mortgages Limited and PIA) in the context of the Group's business strategy. Monitoring the implementation of PAC's investment strategy and overseeing any corrective action taken by PAC.

B System of governance (Unaudited) (continued)

B.1 General information on the system of governance (continued)

PAC Board and Executive Committees

The PAC Board has delegated certain responsibilities to its Committees as detailed in Figure 26 below. The Committees assist the PAC Board in meeting its responsibilities in respect of PAC itself and of its direct subsidiaries PPL and Prudential Lifetime Mortgages Limited.

Figure 26: Summary of the role of PAC Board Committees as at 31 December 2024

Committee	Responsibilities
Audit Risk	– The terms of reference for the PAC Audit and Risk Committees are broadly consistent with those of the M&G plc Audit and Risk Committees described in Figure 25 in the context of PAC as an entity of the Group.
With-Profits	– Inform the decision making of the PAC Board and of each of its relevant subsidiaries. – Ensure that the interests of with-profits policyholders are appropriately considered within PAC's governance structures. – Consider issues affecting with-profits policyholders as a whole or as separately identifiable groups of policyholders.
Independent Governance	– Assess, raise concerns and report on the value for money of PAC's contract-based defined contribution workplace pension schemes solely in the interest of pension scheme members. – Focus on the quality of the schemes and ongoing review of compliance with regulatory and legislative requirements.

The PAC Board and its Committees are supported in their duties by senior management who also act as Key Function Holders for key areas of the business including actuarial, risk, compliance, internal audit, finance, HR, investments, IT and operations.

PAC Key Functions

As a Solvency II regulated entity, PAC is required to identify its Key Functions under the SMCR. The following key functional control areas support and report to the Board Committees in accordance with each Committee's terms of reference. Further information on these Key Functions is given in the sections referenced below.

- Risk and Compliance (Section B.3.2 and Section B.4.2 respectively)
- Internal audit (Section B.5)
- Actuarial (Section B.6)

It is the responsibility of the Audit Committee to review the resources of Internal Audit through its review of annual plans and progress of their delivery during the year. The Risk Committee is responsible for reviewing the adequacy of the Risk and Compliance Function, including the Actuarial Function, to ensure they have the necessary resources to complete their duties.

Changes in the PAC system of governance

There were no material changes to the role and structure of the PAC Board and Board committees during 2024.

B.1.2.3 PPL

Composition of the PPL Board

The PPL Board comprised four members as at 31 December 2024, which included an independent NED and Chairman, and three Executive Directors (the CEO of PPL, the CFO of PPL, and the Director of Propositions). The CEO and CFO of PPL also act as the CEO and CFO of PAC respectively.

PPL Board responsibilities

The PPL Board has responsibility for the oversight, governance, direction, long-term sustainability and success of PPL as a subsidiary of PAC and is authorised to exercise all the powers of PPL subject to complying with the GGF. The PPL Board principal responsibilities include:

- Adopting the Group strategy, long-term objectives, annual budgets and business plan.
- Monitoring PPL's risk management and internal control processes in line with the Group frameworks.
- Approving any changes relating to PPL's solvency or financial condition.

PPL Board and Executive Committees

PPL is a wholly-owned subsidiary of PAC; and the PAC Audit Committee and PAC Risk Committee have responsibility for matters such as the integrity of the financial statements, the effectiveness of internal control and risk management systems and the effectiveness of risk and capital management for all financial and non-financial risks, where there may be an impact on PPL. The role of the PAC Audit Committee and PAC Risk Committee is summarised in Figure 26.

PPL Key Functions

As a Solvency II regulated entity, PPL is required to identify its Key Functions under the Senior Manager Certification Regime (SMCR). As a wholly-owned subsidiary of PAC, PPL operates under the same Key Functions as PAC as detailed in Section B.1.2.2.

Changes in the PPL system of governance

There were no material changes to the role and structure of the PPL Board during 2024.

B System of governance (Unaudited) (continued)

B.1 General information on the system of governance (continued)

B.1.3 Remuneration

Remuneration Committee and strategy

The M&G plc Board has established a Remuneration Committee to ensure the alignment of the remuneration policies and structures with the business strategy, risk management policies and appetite limits, conduct, culture and behaviours, sustainability and long-term interests of customers and shareholders. The Remuneration Committee's principal responsibilities are summarised in Figure 25.

To support its remuneration strategy the Group has implemented two policies, the Director's Remuneration Policy covering directors of the M&G plc Board and the Remuneration Policy that applies to all other employees (including directors of the PAC and PPL Boards). The policies have been designed with the aim of implementing remuneration structures and processes that adhere to the principles detailed in Figure 27 below.

Figure 27: Director's Remuneration Policy and Remuneration Policy principles

Policy	
Director's Remuneration Policy	– Clear alignment with the long-term interests of the Company through a significant proportion of executive packages being delivered in shares for three to five years and through the shareholding and two-year post-employment shareholding requirement policies. – Remuneration appropriately balanced between recognising short and long-term performance. – Financial and non-financial incentive measures that are focused on indicators of sustainable performance that position the company strongly for continued success. – A robust and rigorous risk review of remuneration outcomes to ensure that these properly reflect overall company performance from a financial, key stakeholder, conduct and reputational perspective, and within an effective risk management framework and culture. – Clarity of remuneration packages which are appropriately positioned relative to the scope and complexity of the roles and relevant market benchmarks and designed to reflect and recognise performance. – Key focus on positive client outcomes and quality of client engagement. – Strong alignment with the Group's diversity targets and objectives to maintain a positive and engaging culture that provides equality of opportunity for all current and prospective employees. – Promoting a positive culture in which the 'how' as well as the 'what' is recognised and valued, with a focus on employees and clients and demonstrable alignment between behaviours and remuneration outcomes. – Strong alignment for executives with the experience of shareholders through the delivery of a significant proportion of remuneration in shares, with vesting and holding periods over 5 years and a robust shareholding requirement policy. – Incentive plan measures aligned to client outcomes and long-term diversity and sustainability measures that reflect and recognise the company's wider role and impact. – Remuneration plans and programmes that are simple to understand and provide clear linkage to performance set in line with business strategy. – Arrangements are fully compliant with all applicable regulatory and legal requirements and reviewed on a continuous basis to align with best practice as this continues to evolve.
Remuneration Policy	– Promote the long-term success of the Group. – Attract, motivate and retain the best talent to help ensure continued growth and success of the Group. – Support the Group's purpose and values to build a safe, respectful and inclusive culture through remuneration policies and schemes that promote and reward good conduct and behaviours for the benefit of customers and colleagues. – Align the interests of the Executive Directors, Senior Managers and employees with the interests of current and future shareholders and other stakeholders. – Strike an appropriate balance between short-term and long-term performance with strong linkage to Group performance, effective risk management, management of conflicts of interest, customer outcomes, the culture and values of the Group and long-term shareholder value creation. – Be simple and transparent, both externally and to Colleagues. – Be compliant with relevant remuneration regulation requirements.

The current Directors' Remuneration Policy was approved by shareholders in May 2023 for a three-year period from 1 January 2023. Proposed changes to the Directors' Remuneration Policy, which will take effect from the April 2025 Annual General Meeting subject to shareholder approval, can be found in the Directors' Remuneration Report section of the M&G plc Annual Report and Accounts. The Remuneration Policy is reviewed and approved on an annual basis by the Remuneration Committee. As part of this review process, the PAC Board, together with the boards of other regulated entities within the Group, is engaged to provide feedback prior to the adoption of the policy for the upcoming year.

Remuneration architecture

Remuneration structures are aligned to the Group's purpose and values, with clear linkage to the successful delivery of the Group's short and long-term strategic goals. Both fixed and variable remuneration is assessed against market data and internal benchmarks on an annual basis. Total remuneration is balanced so that the fixed component represents a sufficiently high proportion to avoid employees being overly dependent on the variable components, mitigating the risk of inappropriate behaviours to the detriment of customer outcomes.

B System of governance (Unaudited) (continued)

B.1 General information on the system of governance (continued)

Variable remuneration may comprise short-term incentive (i.e. annual bonus, sales incentives for sales staff) and long-term incentive plan awards.

The Group operates several discretionary short-term incentive arrangements. Consideration is given to a range of financial and non-financial measures relating to the individual, business unit/team, and overall company performance. The extent to which each aspect of performance affects the overall payment level depends on the variable remuneration scheme as well as the role and responsibilities of the individual.

Annual short-term incentive arrangements are discretionary in nature and operated to support the alignment of colleagues to the Group's financial and strategic objectives, customer outcomes, culture, values, risk management policies and pay-for-performance principles.

Individual incentive outcomes reflect individual performance in accordance with the Group's performance management policy and process, adherence to risk management policies and conduct and behaviour, including reference to customer impacts and culture/values.

The Company operates a Group-wide deferral policy under which a proportion of Short-Term Incentive over a threshold is deferred for three years, typically in M&G plc shares, unless regulation requires a higher level of deferral or an alternative deferral mechanism.

Participation in a Long-Term Incentive Plan is reserved for senior management colleagues with the highest influence over the determination and execution of strategic goals, delivery of business performance and creation of shareholder value. The Group Executive Committee and certain other senior management roles, not including individuals in control functions, participate in the performance-based share plan, aligned with that disclosed for the Executive Directors. Other senior management and control function roles are eligible to receive time vesting awards with no performance conditions. Eligibility to participate is assessed annually.

The Group does not allow the award of discretionary pension benefits. The Group's defined benefit pension schemes are closed to new members.

Remuneration for NEDs

The remuneration of NEDs is determined in accordance with the Company's Articles of Association and reflects the time commitment and responsibilities of the role.

NEDs receive a base fee and additional fees for other Board roles such as Chairship or membership of a Committee, acting as the Senior Independent Director or subsidiary Board roles. Fees are reviewed annually by non-conflicted members of the Board. The Chair of the M&G plc Board is eligible to receive private medical insurance. NEDs are not eligible to participate in short-term and long-term incentive plans and do not receive a pension allowance or participate in employee pension schemes. Benefits may be provided in specific circumstances to the Non-Executive Directors that are immaterial in nature and value, up to a maximum value of £1,000. Reasonable expenses may be reimbursed by the Group, including any tax due on reimbursed expenses.

Remuneration governance

Governance processes provide robust and independent oversight of reward and effective management of any potential conflicts of interest. The design and operation of all remuneration policies and incentive schemes must be aligned with the risk management principles and policies through the appropriate use of performance measures and targets and the discretion to adjust outcomes to reflect risk, compliance and conduct events.

The Risk Committee provides independent input to the Remuneration Committee to help with the assessment of scheme design and outcomes to ensure that they are consistent with these principles and policies. A formal risk and compliance report, compiled by the Chief Risk and Compliance Officer (CRCO) and approved by the Risk Committee is submitted to the Committee annually to provide an assessment of the effectiveness of the risk and control environment, material events and specific conduct and compliance issues over the one and three year performance periods of awards.

This enables the Remuneration Committee to determine if the outcome of schemes is appropriate or if any adjustments should be applied at scheme or individual level. It also supports the Committee in determining the appropriateness of scheme design for the upcoming year.

This report includes formal input from PAC via a risk and compliance report, compiled by the PAC Chief Risk Officer (CRO) and approved by the PAC Risk Committee. Input from the report is used to assess whether there have been any events that warrant the consideration of malus and/or claw back on previously determined awards.

In addition the PAC Board annually reviews and approves the Internal Material Risk Taker Identification Framework and the list of individuals identified as Material Risk Takers in respect of Solvency II. A representative from the PAC Board attends all Remuneration Committee meetings to ensure that the PAC Board's views are appropriately considered in decisions taken by that Committee.

B.1.4 Material transactions with directors and shareholders

Transactions with key management personnel

Key management personnel may from time to time purchase insurance, asset management or annuity products marketed by the Group companies in the ordinary course of business on substantially the same terms as those prevailing at the time for comparable transactions with other persons.

In accordance with the Companies Act 2006, directors are required to disclose any transactions that may represent a conflict of interest to their roles. In 2024, no such transactions have been disclosed.

Transactions with shareholders

Transactions with shareholders are described in Section A.1.4.2.

B System of governance (Unaudited) (continued)

B.1 General information on the system of governance (continued)

Compensation of key management personnel

The members of the boards and the executive committees are deemed to have power to influence the direction, planning and control the activities of the Group, and hence are also considered to be key management personnel. Compensation of key management personnel can be found in the Directors' Remuneration Report section of the M&G plc Annual Report and Accounts.

B System of governance (Unaudited) (continued)

B.2 Fit and proper requirements

The Group ensures that Senior Managers are fit and proper to undertake their role through the implementation of a Fit and Proper Policy. The Fit and Proper Policy applies to:

- All persons approved by the PRA and/or Financial Conduct Authority (FCA) as holding Senior Management Functions (SMFs) including approved NEDs.
- All persons defined as Key Function Holders (KFHs) and notified to the regulator.
- All persons defined as standard NEDs and included in the FCA Directory.
- All persons defined as holding Certification functions.

There is an annual certification exercise to demonstrate compliance with the GGF policies, which includes the Fit and Proper Policy, and the system of internal control.

PAC and PPL, as Solvency II regulated entities, are required to identify Key Functions as detailed in Section B.1.2.2.

As the Company itself is not authorised by the PRA or FCA, it is not required to identify Key Function Holders under Solvency II, SMFs under the SMCR or Controlled Functions under the Approved Persons Regime. However, except for the General Counsel (for which there is no SMF), members of the Group's senior management team either hold regulatory approval for the appropriate firms, or are certified given their influence over such subsidiaries.

B.2.1 Fit and proper criteria

All individuals to whom the Fit and Proper Policy applies fulfil the following requirements:

- Competence and capability, i.e. that they have the necessary skills to carry out the function they are to perform.
- Financial soundness.
- Propriety, including adherence to conduct rules.

There are six conduct rules which apply to all staff:

- Acting with integrity.
- Acting with due skill, care and diligence.
- Being open and cooperative with regulators.
- Paying due regard to the interest of customers.
- Observing proper standards of market conduct.
- Acting to delivery good outcomes for retail customers.

There are an additional three conduct rules that apply to SMFs, requiring Senior Managers to:

- Take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively.
- Take reasonable steps to ensure that the business of the firm for which you are responsible complies with the relevant requirements and standards of the regulatory system.
- Take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively.

There is a further conduct rule which applies to SMFs of Solvency II firms only:

- When exercising your responsibilities, you must pay due regard to the interests of current and potential future policyholders in ensuring the provision by the firm of an appropriate degree of protection for their insured benefits.

There is a further conduct rule which applies to SMFs and NEDs:

- Disclose appropriately any information of which the FCA or PRA would reasonably expect notice.

B.2.2 Fit and proper assessment

The Group has processes for assessing the fitness and propriety of persons covered under the Fit and Proper Policy, in order that:

- during the recruitment phase and before any regulatory application is made, an assessment of the person's fitness is conducted, including:
  - Professional and formal qualifications.
  - Knowledge and relevant experience.
  - Basic criminal disclosure (DBS) check.
  - Credit check.
  - Regulatory references.

B System of governance (Unaudited) (continued)

B.2 Fit and proper requirements (continued)

- the ongoing fitness and propriety of relevant individuals is assessed (at least annually), including:
  - Self-disclosure questionnaires.
  - Sample DBS/credit checks (ensuring full coverage on a rolling three year cycle).
  - An assessment of competency and capability to fulfil the role.
  - An assessment of compliance with the conduct rules.

The Group will notify the PRA and FCA of any change in the fit and proper status of SMFs (including, should instances arise, where individuals have been replaced because they are no longer fit and proper), and of any breaches to conduct rules by individuals to whom the rules apply.

B System of governance (Unaudited) (continued)

B.3 Risk management system including the Own Risk and Solvency Assessment

B.3.1 Risk governance and the Risk Management Framework

Risk is defined as the uncertainty the Group faces in successfully implementing its strategies and objectives. This includes all internal and external events, acts or omissions that have the potential to threaten the success and survival of the Group, the interests of its customers and clients, or the broader market.

As part of its business operations, the Group takes on risks on behalf of shareholders, its customers and its clients. The Group generates value by selectively taking risks within approved appetite levels and which are aligned to delivering its strategy, where such risks are adequately rewarded, and can be appropriately quantified and managed to safeguard the Group's commitments to shareholders, customers and clients and its ability to comply with regulations and protect its reputation. The Group will additionally accept risks that are often unavoidable by-product of achievement of its business strategy for which it is not directly rewarded, but it may not be feasible or economic to reduce the risk to zero e.g. by mitigation or transfer. These risks are also managed within approved appetite levels. At certain times, there may also exist some risks for which it has no appetite which are actively avoided or reduced to zero if exposure undermines its commitments to shareholders, customers and clients, or its ability to comply with regulations or protect its reputation.

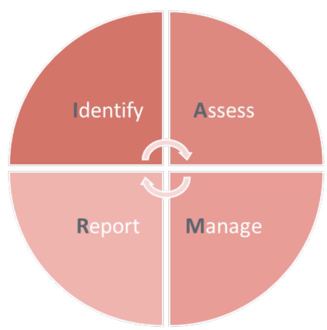
The Group has a comprehensive approach to identifying, assessing, managing and reporting current and emerging risks ('the risk management cycle'), supported by its risk culture and strong risk governance. This is set out in the RMF which, supported by a suite of risk policies and standards, provides a disciplined and structured process for the taking and management of risk. The RMF is designed to manage risk within agreed appetite levels which are aligned to delivering the Group strategy for shareholders and customers. The key components of the RMF are described below.

Figure 28: Risk Management Cycle

Risk Identification: Regular bottom-up and top-down risk identification processes are undertaken to identify risks to which M&G plc is currently exposed, or could be exposed to in the future (emerging risks). Structured processes apply, with the risks identified being categorised according to the risk taxonomy, before being assessed for materiality. These processes are set out in the Risk Identification Group-wide Operating Standard and Risk and Control Self-Assessment Standard.

Risk Assessment:

- Risk Measurement: Risks are measured using appropriate metrics as defined in the setting of risk limits, triggers and indicators. M&G plc has in place an Internal Model to identify, monitor and quantify risk for calculation of the Solvency II Solvency Capital Requirement (SCR).
- Risk Monitoring: Risk monitoring is an ongoing process to track the status of risks and is undertaken by both risk owners and through oversight and assurance activities undertaken by Risk, Compliance and Internal Audit.



Risk Reporting: To ensure timely and appropriate decision making, the M&G plc, PAC and MGG Board and Executive Risk Committees are provided with accurate and timely risk reports and management information. Risk reporting requirements for individual risk types are set out in the M&G plc risk policies.

Risk Management: Risks are evaluated against the defined risk limits, triggers and indicators in order to establish whether the business is operating within risk appetite. Where risk appetite is exceeded, or in some cases the limit is close to being exceeded, management are expected to take action to appropriately treat the risk through mitigation, transfer, avoidance and acceptance. Any actual breaches or breaches which are imminent must be reported to the CRCO or appropriate CRO.

B.3.1.1 Risk governance

The Group's risk governance comprises the organisational structures, reporting relationships, delegations of authority and roles and responsibilities that the Group uses to make decisions and control activities on risk-related matters. It establishes oversight and challenge of the Group's risk profile underpinned by risk principles, risk policies, risk appetite and limits and the regulatory and statutory requirements.

Boards and Committees

The boards are responsible for overseeing effective Group risk management and internal control processes, taking into account the current and prospective macroeconomic and financial environment, and emerging risks. Ownership of risk and the responsibility for instilling an appropriate risk culture lies with the boards. The boards also set and approve the RMF including the risk policies, risk appetite and thresholds and the assignment of responsibilities for controls and reporting.

The Risk Committees support the boards in these activities providing leadership, direction and oversight, and the Audit Committees assists the Boards in meeting their responsibilities for the integrity of financial reporting, including obligations for the effectiveness of internal control and risk management systems. The Remuneration Committee ensures that compensation structures place appropriate weight on all individuals adopting the required risk culture and behaviours. The responsibilities of the Risk, Audit and Remuneration Committees are set out in Figure 25 and Figure 26 in Section B.1.2. The CRCO, and PAC CRO for PAC and its subsidiaries, are operationally responsible for the effectiveness and design of both top-down and bottom-up processes associated with risk appetite, risk limits, risk policies, and oversight of risk management as well as overseeing compliance with the relevant regulatory requirements.

There are various executive risk forums to ensure risk issues are considered and escalated appropriately. In particular, the M&G plc, PAC and MGG Executive Risk Committees (ERC) are responsible for reviewing and considering specific risk and compliance matters and collectively offering their approval or providing support or advice to the CRCO, PAC CRO or Chief Compliance Officer (CCO) and MGG CRO and CCO respectively. Matters are escalated to the Risk Committees by the ERCs' Chairs, the CRCO and PAC CRO, where appropriate to do so.

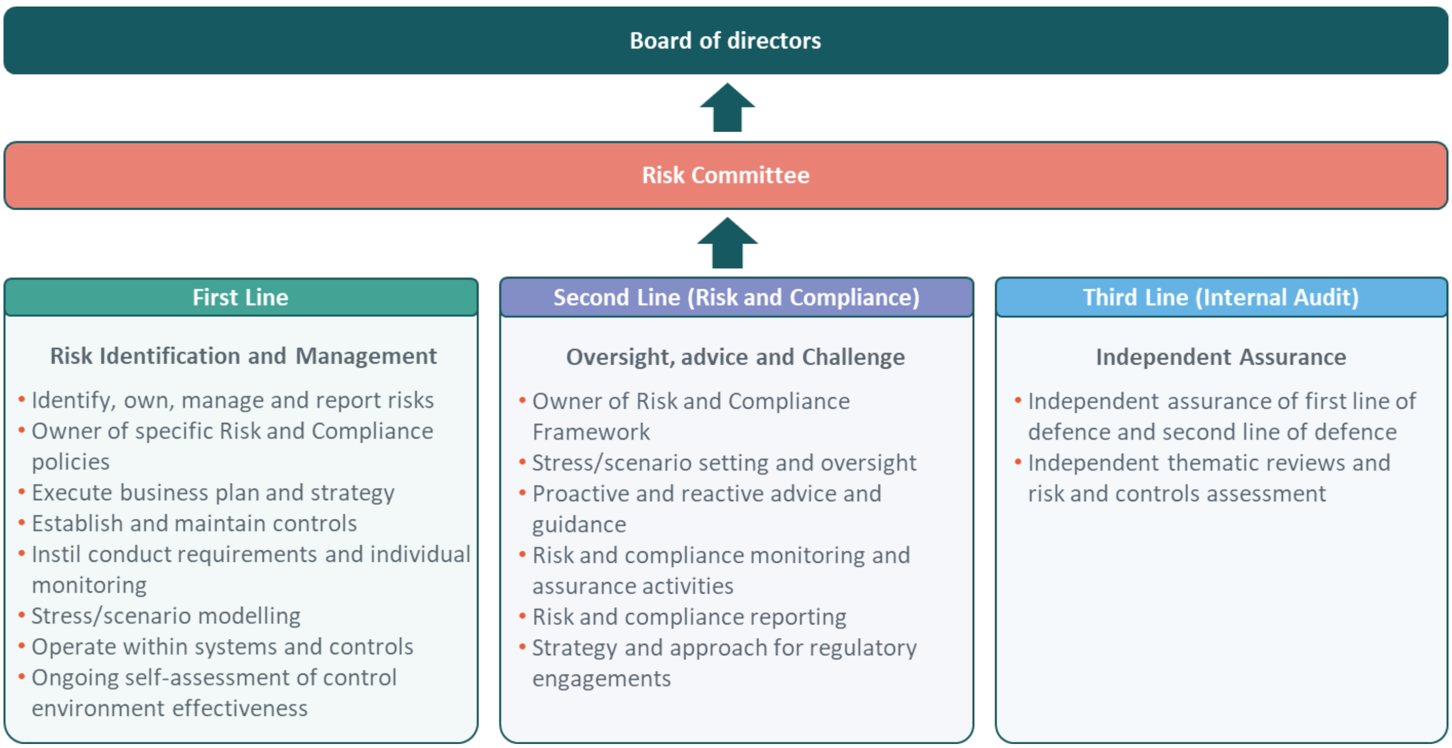
B System of governance (Unaudited) (continued)

B.3 Risk management system including the Own Risk and Solvency Assessment (continued)

Three Lines of Defence

The Group's risk and compliance governance is based on a Three Lines of Defence model with responsibilities in line with SMCR accountabilities as defined in Figure 29. First line business areas identify and manage risks, including complying with regulatory requirements and are overseen by the second line Risk and Compliance Function. The second line Risk and Compliance Function is independent of the first line, providing risk and compliance oversight, advice and challenge, as well as compliance monitoring and assurance. Third line Internal Audit is empowered by the Audit Committees to audit the design and effectiveness of internal controls, including the risk management system.

Figure 29: Three Lines of Defence model



B.3.1.2 Risk taxonomy

The risk taxonomy provides a single common language to describe risks with a clear hierarchy across the risk universe. It provides Group-wide definitions and risk categories prescribed at two levels across the risk universe with an additional third/ fourth level to the risk categorisation, where extra granularity is required.

B.3.1.3. Risk appetite and limits

Risk appetite is the amount and type of risk the organisation is willing to accept in pursuit of its business objectives. The Group's risk appetite and tolerance to take on risk is specified through Risk Appetite Statements (RAS), limits and Key Risk Indicators (KRIs) that are aligned to, and reviewed with respect to, the business model.

The Group has established aggregate RAS and limits for solvency, liquidity, dividend volatility and non-financial risk. The solvency risk appetite is supported by a solvency intervention ladder which sets out management actions for implementation or consideration at different levels of regulatory solvency. The Group's expected ability to stay within appetite is assessed during the annual business planning process, with the actual position monitored and managed regularly throughout the year.

Individual RAS for Level 1 and Level 2 risks and individual risk thresholds (including limits, triggers and indicators) are designed to be consistent with the qualitative RAS and to ensure that, in aggregate, the Group would remain within its Solvency risk appetite, even if all the risk thresholds are fully utilised.

Risk exposures are monitored against appetite and, together with limit utilisation, form a core element of risk reporting to the Boards and ERCs. Prescribed forward looking indicators are used to help inform whether a risk may move outside of a limit together with appropriate management actions.

B.3.1.4. Risk and Compliance policy framework

Policies are high-level statements which provide guidance on how the business operates with the aims of ensuring consistency and efficiency in, and accountability of, business processes and controls, and assisting the business in meeting its legal and regulatory obligations. The Policy Governance Framework (PGF) is a core component of the GGF, and supports the overall system of risk management and internal control.

B System of governance (Unaudited) (continued)

B.3 Risk management system including the Own Risk and Solvency Assessment (continued)

A key element of the PGF is the suite of risk and compliance policies that covers the key risk areas faced by the organisation and supports the RMF to facilitate effective risk management. In addition, the RMF is supported by a set of risk standards that support the effective implementation of the RMF and associated policies which define minimum control requirements for key business practices or provide further guidance on a given policy.

B.3.1.5 Risk Culture

The Group recognises the importance of good culture in the way that it does business. Risk culture is a subset of broader organisational culture, which shapes the organisation-wide values that are used to support effective risk management and prioritise risk aware behaviours and practices.

The responsibility for instilling an appropriate corporate risk culture within the Group lies with the M&G plc Board. The PAC and PPL Boards are responsible for ensuring that policy, practices and behaviours are aligned to the Group culture. The boards, together with senior management, promote a responsible culture of risk management in four key areas as described in Figure 30 below.

Figure 30: Key areas for promoting risk culture

Senior management promote a responsible culture of risk management by emphasising the importance of balancing risk with profitability and growth in decision making, while ensuring compliance with regulatory and legislative requirements and internal policies.

The '**I Am Managing Risk**' programme reinforces a risk culture across the Group by requiring individuals to take personal responsibility and accountability for managing risk and to do the right thing for customers and clients, stakeholders and the business.

The Group builds skills and capabilities in risk management, both within senior management and across the wider organisation supported by the Risk Management Policy, Framework, Standards and associated training.

All key decisions, whether they are strategic, operational or financial, should consider the balanced assessment of risk and benefits to appropriately inform decision-makers to make the right decision for the business.

B.3.2 The Risk function

Within the Three Lines of Defence model, the Risk Function (as part of the Group's Risk and Compliance Function) is part of the second line and is responsible for risk oversight, advice and challenge. The Risk Function assists the boards to formulate and implement the approved RAS, risk management plans, risk policies, risk reporting and risk identification processes. Whilst the first line has responsibility for risk identification and management, any risks taken are constrained within clear parameters reviewed by Risk. The Risk Function also monitors and assesses the risk taking activities of the first line, challenging, where appropriate, the actions taken to manage and control risks and approving any significant changes to controls.

The Risk Function's responsibilities include, but are not limited to:

- Coordinating the identification and assessment of key risks to establish the risk profile used as a basis for setting qualitative RAS and quantitative limits, and the management information received by relevant boards and committees.
- Independently monitoring and reporting that risk exposures are managed within appetite and limits and in line with specified parameters and policies, with regular risk management information, including on top risks, to relevant boards and committees.
- Providing overall coordination and oversight of risk management processes and systems.
- Supporting the boards and management in embedding and maintaining a supportive culture in relation to risk management.
- Testing the Group's internal controls and procedures for financial reporting.
- Overseeing and validating that the development of the Internal Model is within the framework of model governance and remains fit for purpose.
- Providing input and review of public and regulatory disclosures.
- Performing the Own Risk and Solvency Assessment (ORSA) and the Internal Capital Adequacy and Risk Assessment (ICARA), risk assessing the business plan, undertaking stress and scenario testing including reverse stress testing, and informing the key areas of risk-based decision making.

In order to fulfil these responsibilities, the Risk Function liaises with other functions to provide technical expertise and advice throughout the risk management cycle. The Risk Function is subject to an annual effectiveness review.

B.3.3 Internal model

The Solvency II Internal Model is a key risk management tool and refers to the systems and processes used to identify, monitor and quantify risks for the purpose of calculating the Solvency II capital requirement as well as the Group's own risk view of capital where the regulatory capital requirements are assessed as not sufficiently capturing the underlying risk.

To ensure that the Internal Model is, and continues to be, suitable to support this assessment of risk and capital, the Group has implemented a governance and control framework in relation to:

B System of governance (Unaudited) (continued)

B.3 Risk management system including the Own Risk and Solvency Assessment (continued)

- Model use: to provide assurance that the model is widely used in the business, playing an important role in the system of governance and decision-making processes.
- Model change: where changes to the Internal Model are required (e.g. due to a new risk, in response to regulatory feedback or a change in industry practice), these are implemented in a consistent and controlled manner with consideration of any potential implications.
- Model documentation: the Internal Model documentation outlines the data, methodology, assumptions and judgements within the model, including highlighting the circumstances where the Model does not work effectively. This allows those relying on the model output to determine whether the key features of the model are reasonable.
- Model validation: to confirm that the capital requirements resulting from the Internal Model remain appropriate and provide assurance as to the reliability of the Internal Model to senior management and the boards. The Model Validation team within the Risk and Compliance Function provides independent assurance that the Internal Model remains fit for purpose and compliant, in all material respects, with all applicable rules through a risk-based programme of assurance activity, which also acts as an incentive for the model's ongoing improvement.

The Internal Model Governance Framework is implemented in accordance with the Internal Model Risk Policy which, in turn, is aligned with the relevant requirements of the PRA Rulebook. Further policies, operational standards and governance Committees support the application of the Internal Model Risk Policy.

The Internal Model Governance Oversight Committee (IMGOC) and the Finance Capital and Liquidity Committee (FCLC) have responsibility for ensuring that the Internal Model is, and continues to be, suitable to support the assessment of risk and capital and that it complies with all regulatory requirements.

The IMGOC is responsible for the overall governance and oversight of the Internal Model. The FCLC is responsible for setting the methodology for valuing the Group's capital requirements and for informing decisions on assumptions. The IMGOC is chaired by the PAC CRO and FCLC is chaired by the CFO; and matters related to the Internal Model are reported to the Boards and Risk Committees as necessary.

There have been no material changes to the internal model governance over 2024.

B.3.4 Own Risk and Solvency Assessment

The ORSA is the Group's ongoing processes for identifying, assessing, controlling, monitoring and reporting the risks to which the business is exposed, and of assessing the own funds necessary to ensure that the Group's solvency needs are met at all times. Risk appetite and limits are the key controls that apply on the current and future risk profile, as a result of the Group's strategy and business plan, and ensure that the Group complies with its solvency requirements on a continuous basis under a reasonable range of scenarios. This process is documented and evidenced through three ORSA reports covering M&G plc, PAC and PPL.

The entirety of the ORSA processes are undertaken at least annually with a subset (in particular, those making up the risk management cycle) performed on a continuous basis as part of normal day-to-day risk management activity. An ad-hoc ORSA may be triggered by a material change in the Group's risk profile with specific circumstances that could trigger an ad-hoc ORSA being set out in the ORSA Policy. Triggers are regularly monitored and where a trigger is activated, the CRCO (or entity CRO where applicable) will decide on which ORSA processes are required to be performed and reported, including whether revised ORSA reports, or equivalent, are required.

The ORSA reports include a current and forward looking assessment of both the capital and solvency position as well as the risk profile of the Group, providing the means to understand the links between strategy, risk and capital. It combines the analysis performed by, and the outcomes of, the ongoing risk and capital management processes that are embedded and which have been reviewed by various boards and executive committees. It also provides a quantitative and qualitative assessment of the Group's risk profile and solvency needs on a forward-looking basis incorporating the Group's strategy and business plan, including appropriate stress and scenario testing. The scope of the ORSA reports covers all the known risks of the Group.

The ORSA is fully embedded within the RMF and is a key input into board strategic decision making driving the top-down understanding of risks to the Group and ensuring the use of the Internal Model in decision making. The Risk and Compliance Function is responsible for the preparation of the ORSA report with input from key stakeholders as set out in Figure 31 below.

Figure 31: High level overview of ORSA responsibilities

Stakeholder	Roles/ Responsibilities
The Boards	Ownership and oversight of ORSA processes; steer the processes and embed the outcomes of the processes into the overall decision-making framework; approve the respective ORSA reports.
Risk Committees	Approve the proposed ORSA stress and scenario testing, and review and recommend the ORSA report to the respective Boards for approval.
CRCO and PAC CRO	Ownership of the respective ORSA reports.
Chief Actuary	Contributing to the effective implementation of the risk management system, in particular with respect to risk modelling.

B System of governance (Unaudited) (continued)

B.4 Internal control system

B.4.1 Overview

The Group is required to maintain and demonstrate an effective risk management and internal control system to comply with listing requirements, the UK Corporate Governance Code (and associated guidelines) and the PRA Rulebook. The Group implements a robust system of internal control that facilitates the effectiveness and efficiency of operations, the accuracy and reliability of internal and external reporting, helps protect the customers and assists compliance with rules and regulations. Further, the system of internal control has a key role in the management of risks that are significant to achieving the Group's business objectives.

The GGF helps the Boards to fulfil its internal control obligations by demonstrating the existence of, and compliance with, internal policies and other control mechanisms. As part of this the Group adheres to the following principles of internal control:

- Management/Delegated Authority: the Group is managed in accordance with the authority delegated by the Boards.
- Lines of Responsibility: each Executive Committee member has clearly defined lines of responsibility for their function and delegated authority.
- Appropriate Recording: transactions are appropriately recorded to permit the preparation of reliable financial statements.
- Financial Reporting Control Procedures and Systems: the internal control over the financial reporting environment includes procedures and systems which are regularly reviewed.
- Protection of Assets: the assets of the Group and its customers are appropriately protected.
- Financial Crime (Fraud and Money Laundering): financial crime is detected and prevented where possible.
- Risk Management: the risks to which the Group is exposed are identified and managed.

The Audit Committee, in conjunction with the Risk Committee, reviews the adequacy and effectiveness of the internal control systems, prior to review by the M&G plc Board. This is supported by the PAC Audit Committee and the assurance work carried out by Internal Audit, and Risk and Compliance.

B.4.2 Compliance function

The Compliance Function (as part of the Group's Risk and Compliance Function) is structurally independent of the first line. It provides guidance, advice and feedback on regulation (current and future regulatory developments), as well as advising on and overseeing compliance standards. Risk-based routine monitoring and deep dive activities are also carried out to assess compliance with regulatory principles, rules and expectations, as well as adherence to the relevant Group policies. The Compliance Function reports to the CRCO, with the annual (refreshed half-yearly) Compliance Plans (incorporating the Monitoring Plan) produced for Asset Management and Life operating segments. The plans are approved by the relevant Executive and Board Risk Committee.

The Regulatory Compliance Risk Policy, Market Abuse Policy and the Conflicts of Interest Policy (owned by the first line) set out the principles and minimum requirements by which the Group conducts its business. These policies are reviewed and attested to annually.

The policies support the implementation of the risk management principles through requirements which include:

- Having an effective risk culture, promoting appropriate conduct and deploying adequate and appropriate training, skills and resources in respect of regulatory compliance risk management.
- Maintaining and operating effective organisational and administrative arrangements. Operating an effective risk management cycle to identify, measure, manage, monitor and report on regulatory compliance risks on an on-going basis.
- Considering individual conduct risks as well as the conduct risk profile in aggregate.
- Embedding conduct risk management within the culture and thinking of all employees.
- Maintaining a business that is compliant with applicable laws and regulatory rules and principles, such as Consumer Duty and FCA principles for business.
- Ensuring compliance with regulations that result from regulatory and business changes.
- Maintaining honest, constructive and open relationships with governments and regulators.

B System of governance (Unaudited) (continued)

B.5 Internal Audit function

B.5.1 Overview

Internal Audit operates as the third line of defence in the Three Lines of Defence model. Internal Audit helps the Board and Executive Management protect the assets, reputation and sustainability of M&G plc by providing independent and objective risk-based assurance activity designed to add value and improve the effectiveness of the governance, risk management and internal controls.

Internal Audit is not restricted in scope in any way and is authorised to access all the organisation's activities, data, systems, physical properties, personnel and records (including sensitive information such as staff and client information and Board or Management Committee papers) where necessary to discharge its responsibilities. In executing its responsibilities Internal Audit adheres to the:

- Global Internal Audit Standards;
- Institute of Internal Auditor's (UK) Internal Audit Code of Practice (principles on effective Internal Audit in the financial services, private and third sectors);
- Requirements for Internal Audit Functions set out in the PRA Rulebook; and
- Requirements of the SMCR and M&G plc's internal policies, including the Group's Code of Business Conduct and the Fit and Proper Policy.

B.5.2 Independence and Objectivity

Internal Audit has sufficient standing and authority within the Group to carry out its activities, supported by the following reporting lines in place to maintain Internal Audit's independence and objectivity in the discharge of its responsibilities:

- In accordance with the Internal Audit Charter, the Group has an Internal Audit team, led by the Group Chief Auditor (GCA) as functional head, with a direct reporting line to the Audit Committee and an administrative reporting line to the CEO. The GCA also has direct access to the Chair of the M&G plc Board and Chair of the Audit Committee and will periodically meet with the Audit Committee without the presence of management.
- It is the responsibility of the GCA to deliver the mandate of Internal Audit, as set by the Audit Committee, supported by the business area Chief Auditors. The GCA reports all audit related matters to the Audit Committee and the relevant subsidiary Audit Committees and periodically assesses and reports on the continued adequacy of the function's mandate, independence, objectivity, authority, responsibility and technical experience to enable it to accomplish its objectives. The business area Chief Auditors report to their respective Audit Committee Chair and the GCA, as functional head, with the GCA considering the independence, objectivity and tenure of the business area Chief Auditors when performing appraisals.
- The remuneration of the GCA is recommended annually to the Remuneration Committee by the Chair of the Audit Committee. The remuneration of the Internal Audit function is structured in a manner such that it avoids conflicts of interest, does not impair independence and objectivity and is not exclusively linked to the short-term performance of the organisation.
- The GCA and business area Chief Auditors are empowered to attend and observe all or part of Executive Committee meetings and any other key management decision making forums as appropriate.
- The Chief Operations Officer (COO) for Internal Audit, who is independent of the audit delivery team, monitors and evaluates the function's adherence with all relevant Internal Audit standards of practice and audit methodology. The results of these assessments are presented to the relevant Audit Committees. An independent external assessment of the Internal Audit function is performed every 5 years in line with Internal Audit standards.
- The assessment of the adequacy and effectiveness of the Risk and Compliance and Finance Functions is within the scope of Internal Audit. As such, Internal Audit is independent of these Functions and is neither responsible for, nor part of, them.
- All Internal Audit personnel exhibit the highest level of professional objectivity in carrying out their duties, make a balanced assessment of all relevant circumstances, remain impartial and seek to avoid any professional or personal conflict of interest. Internal Audit has no direct operational responsibility or authority over any business activity or personnel outside of the Function.

B System of governance (Unaudited) (continued)

B.6 Actuarial Function

There is a Group Head of Actuarial Function (GHAF), who is also the Chief Actuary for PAC and PPL. The Chief Actuary is a PRA SMF role under the SMCR. The Chief Actuary team in the Finance Function, and specified individuals in the wider business in the first line, are responsible for carrying out the tasks of the Actuarial Function on behalf of the GHAF. The Chief Actuary maintains a dotted reporting line to the CRCO to support the Chief Actuary's independent oversight of the activities of the Actuarial Function. The need for, and the scope of, the Actuarial Function is defined in Conditions Governing Business 6 of the PRA Rulebook. This sets out the tasks that the Actuarial Function is responsible for. The GHAF provides an Actuarial Function Report to the Risk Committees, at least annually, to document the tasks that have been undertaken by the Actuarial Function and their results. The report highlights any deficiencies identified and provides recommendations on how they should be remedied. The report sets out the key areas of focus following the Actuarial Function's activities each year. Figure 32 below summarises the key tasks undertaken by the Actuarial Function as described within the Actuarial Function Report.

Figure 32: Key tasks undertaken by the Actuarial Function

Task	Description
Valuation of technical provisions	The Finance function proposes the valuation methodology and assumptions, and calculates the technical provisions. The GHAF reviews the valuation methodology and assumptions, the models and data used in the calculation of the technical provisions, and the resulting technical provisions and advises the Audit and Risk Committees accordingly.
Underwriting	The GHAF reviews and advises on all aspects of the underwriting arrangements on an ongoing basis. In addition, the GHAF carries out an annual review of such arrangements, focusing on different aspects each year depending on previous reviews, recent business activities and any particular issues that the GHAF wishes to review further. The GHAF provides an annual report to the Risk Committees expressing an opinion on the underwriting
Reinsurance arrangements	The GHAF reviews and advises on reinsurance arrangements on an ongoing basis. In addition, the GHAF carries out an annual review of all reinsurance arrangements, including the reinsurance policy, focusing on different aspects each year, depending on previous reviews, recent business activities and any particular issues that the GHAF wishes to review further. The GHAF provides an annual report to the Risk Committees expressing an opinion on the adequacy of the reinsurance arrangements, identifying any deficiencies and providing
Effective implementation of the risk-management system	The Finance function proposes the valuation methodology and assumptions and calculates the SCR. The GHAF reviews the valuation methodology and assumptions and the resulting SCR and advises the Risk Committees accordingly. The GHAF also attends the FCLC, the Committee with responsibility for internal capital model methodology and assumptions, and attends IMGOC, which is responsible for the overall governance and oversight of the Internal Model. These activities ensure the Actuarial Function has oversight of the calibration and calculation of the SCR and is embedded in the key stages of the risk management system for the calculation of capital requirements.

B System of governance (Unaudited) (continued)

B.7 Outsourcing

The Group continues to rely upon third party supplier and outsource partner arrangements, allowing it to focus on its core business strengths, reduce costs, and manage its delivery risks. The Group recognises that the use of third party supplier and outsource partner arrangements can impact its risk profile, for example, the service may be disrupted or fail, resulting in significant business interruptions, poor customer outcomes, liability for losses and costs, reputational damage and regulatory breaches.

The Group retains ultimate responsibility for any activity that is supplied or outsourced and as such, has a third party risk management policy and framework, with required key controls to support all business areas in understanding how to manage the lifecycle of outsourced arrangement relationships. The Group’s Outsourced Service Providers (OSPs), located predominantly in the UK, the EU and India, provide various business operations and technology services/support to the Asset Management and Life divisions, including a significant part of customer facing operations, UK back office/investment operations activities, as well as a number of IT support functions for the Group.

Material intra-group outsourcing arrangements for the year ended 31 December 2024 primarily comprise fund/asset management provided by M&G Investments and treasury services provided by PruCap, primarily to the Group's insurance undertakings. A range of services (including finance and capital management, compliance, risk, HR, actuarial, internal audit and IT services) are also provided across the Group on a shared service basis. Prudential Distribution Limited, Prudential UK Services Limited and M&G FA Limited act as the main employment companies for staff in the UK, and M&G Corporate Services Limited is the principal company through which group-wide contracts for the supply of goods and services are placed.

A Third Party Risk Management Policy is used to manage third party risk across the Group. The approach set out in the policy addresses third party risks through the framework of a risk management lifecycle, including requirements to:

- Consistently identify and categorise areas of third party risks.
- Incorporate third party arrangements into strategic and operational business planning.
- Consistently assess third party risks in line with applicable policies, standards and procedures.
- Utilise scenario analysis to assess the impact and consequences of third party failures on operational resilience and continuing viability, with risk assessments linking the potential impact of risks to customer outcomes.
- Monitor the third party risk profile in relation to risk appetite.
- Disclose applicable third party risks in financial reporting and to other relevant stakeholders.
- Regularly inform relevant Boards and Risk Committees of the aggregated third party risk profile, policy compliance and associated regulatory requirements.

B.8 Any other information

B.8.1 Adequacy of the system of governance

The M&G plc Group Risk and Audit Committees have considered the outcome of the annual assessment of risk management and internal control effectiveness for 2024. The assessment is performed for each business area by the first line with an independent second line opinion. It is driven by Risk and Control Self Assessments (RCSAs) conducted over the year, along with consideration of issues; notifiable events; compliance with policy requirements; risk appetite assessment; and regulatory feedback. The business area assessments are aggregated to provide a material subsidiary and an overall M&G plc group-wide assessment. Internal Audit also provide an independent assessment of the overall control environment. The 2024 assessment recognises positive progress made across M&G plc in building on the risk and control foundations previously put in place, but also acknowledges that implementation work identified in prior years needs to continue into 2025. Management attention and an additional reporting cycle are therefore still required to further embed the framework, including driving further consistency in group-wide Key Control Assessments across the business. The nature of financial crime threats are evolving and there are continuing rigorous regulatory expectations. In 2024 a dedicated Financial Crime programme has been set up to strengthen, mature and optimise our financial crime framework, processes and controls, as well as implement an enhanced target operating model. The Risk and Audit Committees at M&G plc Group and subsidiary level collectively monitor the timeliness with which outstanding actions and embedding plans are completed.

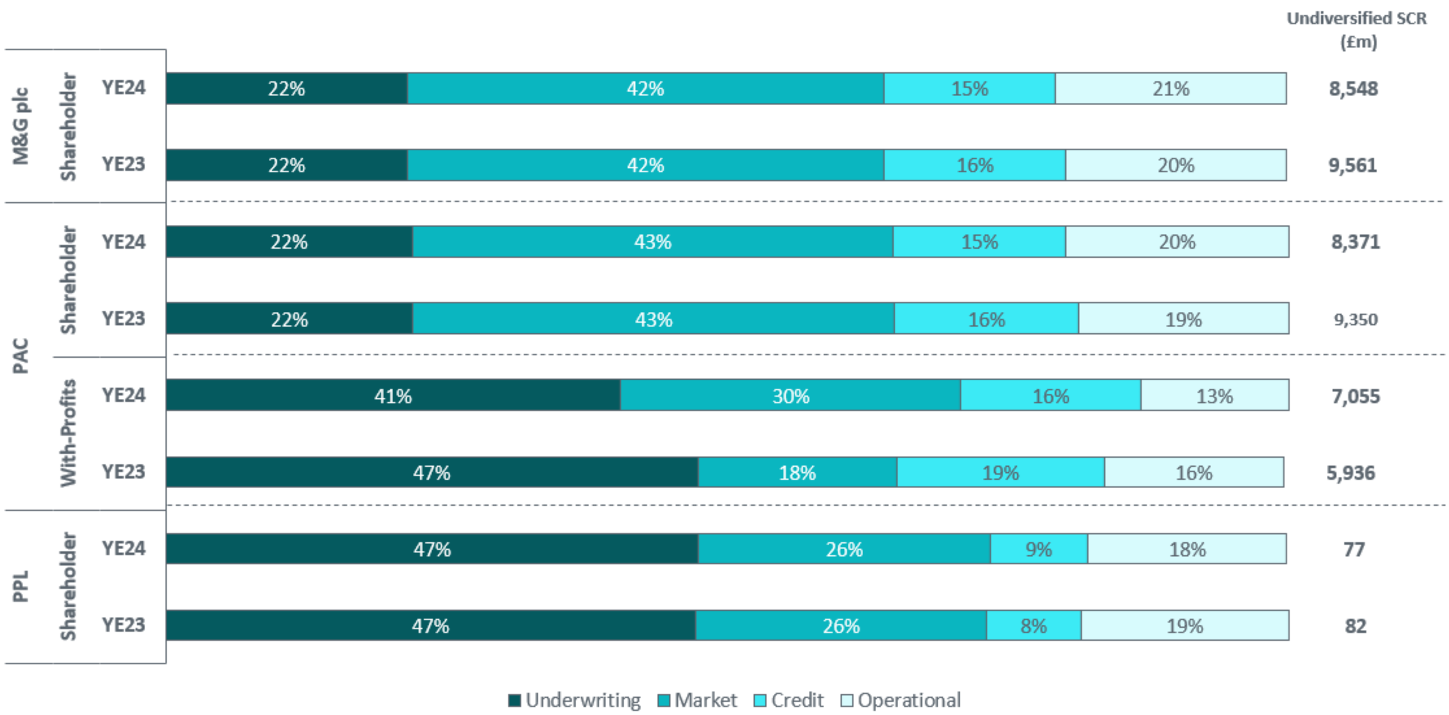
C Risk profile (Unaudited)

Under the Solvency II regime, companies are required to calculate capital requirements in line with Solvency II regulations. The Solvency II Pillar 1 valuation is produced as a whole (the regulatory view), however, for internal business and risk management purposes, separate valuations are produced for the shareholder-backed exposures and the business in the ring-fenced With-Profits Fund.

The Solvency II capital requirements are calculated using the Internal Model, which is based on the Group's assessment of the risks it faces. PAC is the dominant driver of the Group's shareholder Solvency II capital requirements, making up over 80% of the shareholder SCR. MGG and other undertakings which operate in other financial sectors, are calculated on a sectoral or notional sectoral basis. See Section E for further details.

Figure 33 below shows the undiversified SCR split by risk category as at 31 December 2024 and 31 December 2023 for the M&G plc shareholder (excluding those parts of the Group that are included on a sectoral basis) and its Solvency II regulated entities PAC and PPL.

Figure 33: Undiversified SCR split as at 31 December 2024 and 31 December 2023[1]



1. The 2023 comparatives include presentational changes arising from the UK reforms to Solvency II reporting introduced at 31 December 2024.

M&G plc and PAC Shareholder

The total undiversified SCR for the PAC Shareholder business (and as a consequence M&G plc Shareholder business) has reduced over the year. As the SCR for all risks has reduced, the split of the SCR by risk category is largely unchanged.

Market risk capital reduced due to the impact of the changes to the prospective modelling of the with-profits fund, which reduced the sensitivity of the present value of shareholder transfer (PVST) to equity, property and currency stresses, the expected release of capital due to the run-off of the in-force book of business, and updates to the risk distributions underpinning the 1-in-200 interest rate and currency stresses. These were partially offset by the effect of positive equity returns over the year which increased the exposure to equity risk and, through higher overseas exposure, currency risk.

The reduction in credit risk capital is primarily driven by the effect of the increase in yields over the year – which reduced the value of the credit-risky surplus assets held and the non-profit annuity business, and hence the exposure to increases in credit spreads and adverse downgrade and default experience – the run-off of the in-force book of non-profit annuity business, and the impact of the changes to the Matching Adjustment calculation arising from the UK reforms to Solvency II.

Underwriting risk capital reduced primarily due to the increase in yields over the year, which reduces the longevity risk capital on the non-profit annuity business, and the impact of the review of the prospective with-profits modelling, which reduced the sensitivity of with-profits bonus rates, and hence PVST, to lapse and longevity risk.

Operational risk capital reduced primarily due to updates to the risk distributions underpinning the 1-in-200 stress.

PAC With-Profits Fund

The total undiversified SCR for the PAC With-Profits Fund has increased over the year and the exposure to market risk has increased. A key component of the increase in the SCR arises from a full rebuild of the prospective with-profits modelling. Reflecting the with-profits funds strong solvency position, a decision was made to rationalise and simplify the number of protective management actions which may be taken

C Risk profile (Unaudited) (continued)

in extreme stress scenarios; to ensure that management have appropriate freedom to act to protect the long-term interests of policyholders. This increases the overall capital requirements of the with-profits fund, and the sensitivity to market risks and these have therefore increased to a greater extent than other risks.

For market risk, the impact of the review of the prospective with-profits modelling has been partially offset by the impact of higher yields and the distribution from the inherited estate to eligible with-profits policyholders, which reduce the expected guarantee costs, and the updates to the risk distributions underpinning the yield and currency stresses.

For credit risk the undiversified risk capital is largely unchanged as the impact of the prospective with-profits model changes have been more than offset by the run-off of the in-force book of business, the impact of the excess surplus distribution (which reduced the surplus credit-risky asset exposure) and the impact of the increase in yields, which have reduced the sensitivity of the surplus credit-risky assets and the non-profit annuity business in the With-Profits Fund.

For underwriting risk the impact of the prospective with-profits model changes has been partially offset by the impact of changes in economics, in particular the reduction in longevity risk capital on the non-profit annuity business due to the rise in yields.

The reduction in operational risk capital primarily reflects the impact of changes in the risk distributions underpinning the 1-in-200 stress.

PPL

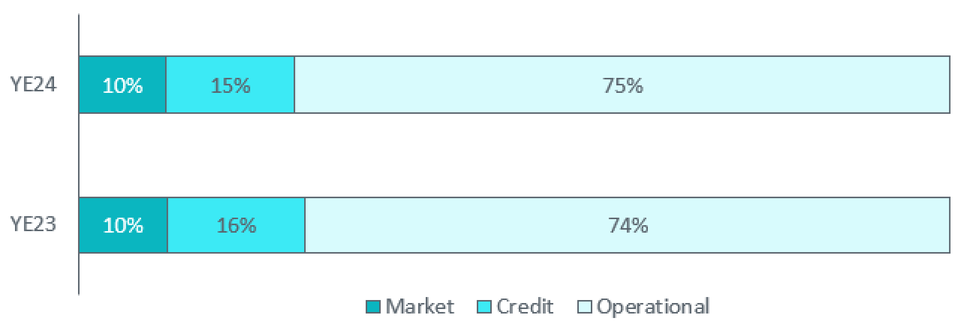
The total undiversified SCR for PPL has reduced over the year due to the run-off of the in-force book of business partially offset by the impact of changes in economics, in particular positive equity returns, which increased the impact of equity stresses and lapses (as these are applied to a higher value of fund related charges net of expenses).

M&G Group

As undertakings which operate in other financial sectors are consolidated into the Solvency II position based on their own sectoral (or notional sectoral) capital requirements, and make up only 14% of the consolidated Group's shareholder SCR, their risks are not captured in Figure 33. Of these, MGG is the largest and its exposure to individual financial risks is presented in Figure 34 below using its own assessment of its Pillar 2 capital requirements.

The total sectoral capital for MGG has reduced due to modelling changes and operational risk recalibrations however the overall balance of risks remains materially in line with YE23.

Figure 34: MGG Pillar 2 capital requirements as at 31 December 2024 and 31 December 2023



C Risk profile (Unaudited) (continued)

C.1 Underwriting risk

C.1.1 Risk description

Underwriting risk refers to the risk of loss or of adverse change in the financial situation of the business, or that of customers and clients, resulting from changes in the level, trend, or volatility of mortality; longevity; morbidity; persistency; expense and margin pricing experience.

C.1.2 Risk exposure

Figure 35 below provides an overview of the key underwriting risks to which the Group is exposed and the nature of the risk exposure by entity.

Figure 35: Underwriting risk exposures across the Group

Risk Exposure	Entities Impacted
Longevity	
Longevity risk arises primarily in relation to non-profit and with-profits annuity business. Unexpected changes in the life expectancy (longevity) of policyholders, in particular where mortality experience is lower than assumed, result in an increase in the cost of providing benefits under these policies. By its nature, longevity risk is complex, long-tailed and very uncertain.	PAC Shareholder and PAC With-Profits Fund
Some longevity exposure also arises in relation to defined benefits provided under the staff pension schemes.	M&G plc, PAC Shareholder, and PAC With-Profits Fund
Persistency	
Increased outflows of assets under administration or increases in policyholder exits on business without material guarantees reduces expected income from management charges.	PAC Shareholder, PAC With-Profits Fund, PPL and MGG
PAC is exposed to increases in policyholder exits from the With-Profits Fund as, although this gives rise to a short-term increase in shareholder transfers, it reduces the overall value of shareholder transfers over the longer term.	PAC Shareholder
For products with guarantees, the With-Profits Fund is exposed to reductions in policyholder exits which increase the expected costs of meeting these guarantees.	PAC With-Profits Fund
Expense	
For all business areas, there is a risk that expense experience (including expense inflation) is higher than expected reducing margins and profit.	PAC Shareholder, PAC With-Profits Fund, PPL and MGG
For the With-Profits Fund there is a specific risk that fixed expense charges are not sufficient to cover the actual expenses for the non-guaranteed PruFund business.	PAC With-Profits
Mortality and Morbidity	
Mortality and morbidity risk arises from legacy health and protection products with only a small exposure remaining.	PAC Shareholder and PAC With-Profits Fund

C.1.3 Risk measurement

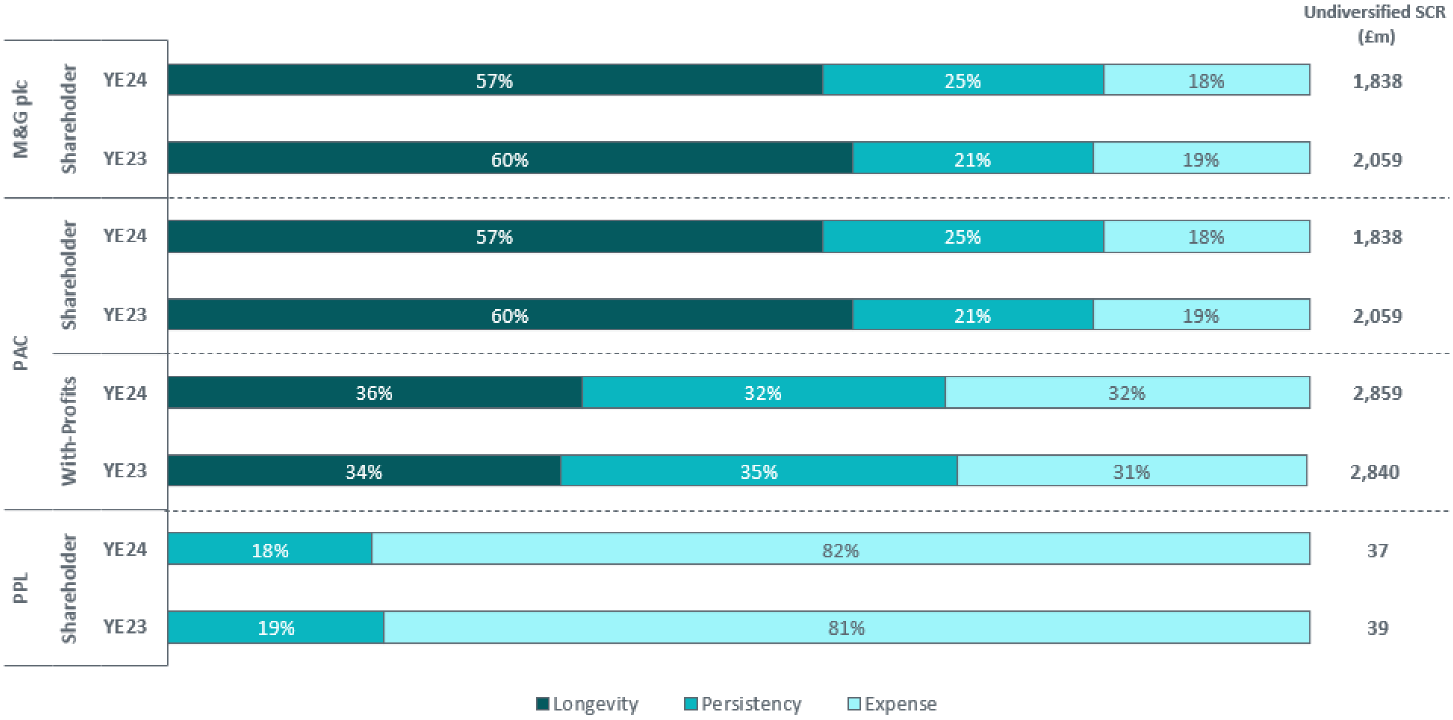
The undiversified SCR is used as a key assessment of the size of the underwriting risk the business is exposed to under severe (“1 in 200 year”) stresses, with regular stress and scenario tests also applied to the key financial exposures to understand the sensitivity of the overall Solvency II capital position to individual and combined risks. This is further supported by solvency monitoring and experience analysis.

C Risk profile (Unaudited) (continued)

C.1 Underwriting risk (continued)

Figure 36 below sets out the Group's exposures (as a percentage of the underwriting risk undiversified SCR) to each of these risks. Mortality and morbidity risk accounts for an immaterial proportion of the SCR and so has been grouped under the longevity risk category.

Figure 36: Undiversified underwriting risk SCR split as at 31 December 2024 and 31 December 2023[1]



1. The 2023 results include presentational changes arising from the UK reforms to Solvency II reporting introduced at 31 December 2024 and movement of capital adjustments into 'other adjustments'.

M&G plc and PAC Shareholder

The changes in the M&G plc and PAC shareholder profile primarily reflect the impact of changes in economics.

The rise in interest rates reduces the sensitivity to longevity risk on the non-profit annuity business as present value of the additional future payments that must be made, when policyholders are assumed to live longer under the stress, is lower at higher yields.

Positive investment returns and the rise in risk-free rates have increased the value of PVST. This increases persistency risk capital as the loss of PVST when with-profits policyholders lapse their policies is greater. This has been partially offset by changes to the prospective modelling of the with-profits fund, which has reduced the extent to which claim values, and hence PVST, are affected by higher lapses.

Expense risk capital has reduced over the period primarily due to the change in economics, in particular the rise in yields as the future additional expense costs are discounted at a higher rate.

PAC With-Profits Fund

The changes in the PAC With-Profits underwriting risk profile primarily reflect the impact of the changes in the prospective with-profits modelling and changes in economics.

The changes to the prospective modelling of the with-profits fund increased the undiversified capital associated with all underwriting risks in the fund, but had the largest impact on longevity risk due to the interactions with the cost of the guaranteed annuity rates attached to some traditional with-profits products. This has been partially offset by the impact of changes in economics, in particular the rise in yields, which has reduced the cost of all risks.

PPL

Risk capital has reduced over the period primarily due to the run-off of the in-force book of business.

C.1.4 Risk concentration

The largest underwriting risk concentration relates to the longevity risk associated with PAC's non-profit annuity book. Although this is comprised of a diverse range of UK policyholders and pension scheme members, there will be some degree of longevity correlation between these underlying exposures. In addition, the degree of diversification between exposures is reduced as the liabilities are weighted towards larger policies (which may have typically lighter mortality experience). The overall exposure is controlled via a number of reinsurance agreements that are in place and regular reviews of experience and valuation assumptions.

C.1.5 Risk mitigation

Underwriting risk is managed in line with the requirements set out in the Insurance Risk Policy, which also defines the Group's risk appetite in relation to these risks. Longevity risk is predominantly managed through:

- Regular reviews of best estimate assumptions, supported by detailed assessment of actual mortality experience versus the best estimate assumptions.

C Risk profile (Unaudited) (continued)

C.1 Underwriting risk (continued)

- Longevity research.
- Longevity risk reinsurance arrangements assessed against principles and guidance provided by the Group's Reinsurance Policy and supporting internal standards.
- Selective Part VII transactions.

Other underwriting risks such as persistency risk and expense risk are also subject to regular reviews and actions, with frequency and intensity proportionate to the materiality of the risk.

C Risk profile (Unaudited) (continued)

C.2 Market risk

C.2.1 Risk description

Market risk refers to the risk of loss or adverse change in the financial situation of the business, including the With-Profits Fund estate, resulting, directly or indirectly, from fluctuations in the level or volatility of market prices of assets, currencies, liabilities and financial instruments. The Group's profitability and solvency are sensitive to market fluctuations in the level or volatility of equities, properties, alternative investments, interest rates, currencies and inflation.

C.2.2 Risk exposure

Figure 37 below provides an overview of the key market risks to which the Group is exposed and the nature of the risk exposure by entity.

Figure 37: Market risk exposures across the Group

Risk Exposure	Entities Impacted
All market risks (equity, property, interest rate and currency risk)	
PAC is primarily exposed to market risk in relation to shareholder transfers, where falls in the value of equities, properties and alternative assets, lower interest rates or fluctuations in currencies can negatively impact on investment returns generated for PAC with-profits policyholders, reducing the value of these shareholder transfers.	PAC Shareholder
PAC is exposed to property risk in respect of property assets held in the non-profit annuity funds.	PAC Shareholder and PAC With-Profits Fund
PAC is also exposed to interest rate risk in respect of any mismatching between the assets and liabilities of the non-profit annuity funds and in respect of surplus assets held in these funds.	PAC Shareholder and PAC With-Profits Fund
Adverse changes in the value of the assets backing the policyholder asset shares as a result of market movements, including falls in the value of equity, properties and alternative assets or fluctuations in currencies, may lead to an increase in the expected cost of policyholder guarantees and smoothing. Furthermore, reductions in risk-free interest rates could also give rise to an increase in the guarantee and smoothing costs. This risk is largely borne by the With-Profits Fund itself, though shareholder support may be required in extreme circumstances where the fund has insufficient resources to support the risk.	PAC With-Profits Fund and (in extremis) PAC Shareholder
For unit linked contracts and third party customer funds, the customer bears the direct market risk on their investments. However, the value of the charges/fees is dependent on the assets under management and therefore is exposed to market risks based on the underlying investments.	PAC Shareholder, PAC With-Profits Fund, PPL and MGG
PAC is exposed to adverse changes in the value of residential properties and interest rates in relation to the 'no negative equity guarantee' on lifetime mortgage loans.	PAC Shareholder
MGG has some direct exposure to market risk through its seed investments and currency positions as a result of overseas operations.	MGG
M&G plc and PAC are subject to market risk exposures (across each market risk category, depending on the assets held in the pension fund) and changes in the discount rate for liabilities arising from the risk of additional deficit funding contributions to the defined benefit staff pension schemes, as they are responsible for ensuring such schemes (which are closed to new members) remain adequately funded to meet their expected future liabilities.	M&G plc, PAC Shareholder, and PAC With-Profits Fund

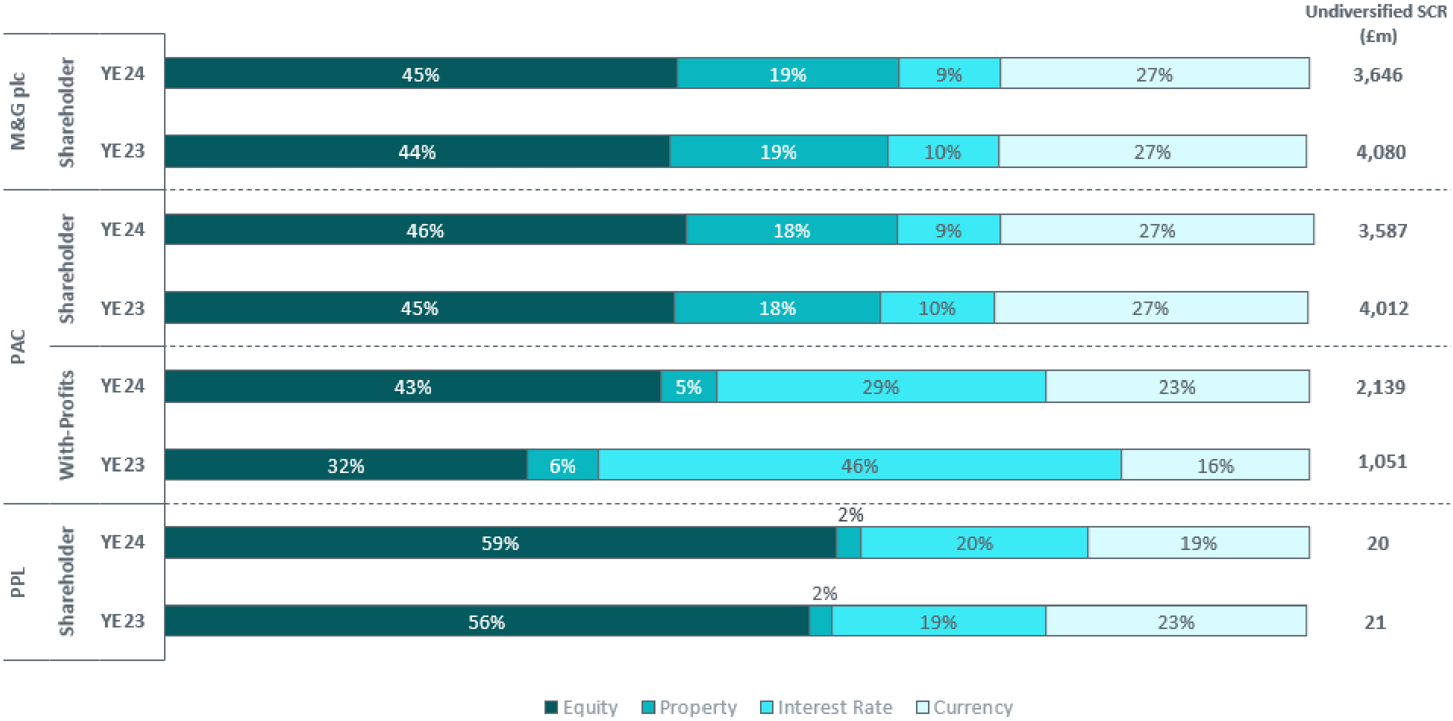
C Risk profile (Unaudited) (continued)

C.2 Market risk (continued)

C.2.3 Risk measurement

Figure 38 below sets out the Group's exposures (as a percentage of the undiversified SCR excluding sectoral entities) to each of these risks.

Figure 38: Undiversified market risk SCR split as at 31 December 2024 and 31 December 2023[1]



1. The 2023 comparatives include presentational changes arising from the UK reforms to Solvency II reporting introduced at 31 December 2024.

M&G plc and PAC Shareholder

The undiversified market risk capital for M&G plc and PAC shareholder business has reduced over the period. This is primarily due to the impact of changes to the prospective modelling of the with-profits fund, which reduced the sensitivity of PVST to equity, property and currency stresses, the expected release of capital due to the run-off of the in-force book of business, updates to the risk distributions underpinning the 1-in-200 interest rate and currency stresses. In addition, the rise in interest rates has reduced the sensitivity of the no-negative equity guarantee on the lifetime mortgage business to property and yield shocks.

These impacts were partially offset by the effect of positive equity returns over the year which increased the exposure to equity risk and, through higher overseas exposure, currency risk on PVST and the non-profit unit-linked business.

PAC With-Profits Fund

For the PAC With-Profits Fund, there has been an increase in the undiversified market risk capital, primarily due to the impact of changes to the prospective modelling of the With-Profits Fund. This increased all market risk capital components, but had the largest impact on equity and currency risk which were most impacted by the modelled management actions in extreme stress. As a result equity and currency risks now form a higher proportion of the overall market risk capital.

The impacts have been partially offset by the changes in economics, which have reduced the cost and sensitivity of the guarantees attached to traditional with-profits policies and, for currency and interest rate risk capital the updates to the risk distributions underpinning the 1-in-200 stresses.

PPL

For PPL, there has been a small reduction in market risk capital over the year primarily due to the run-off of the in-force book of business. This has been partially offset by the impact of economic changes, in particular the rise in equity values which has increased the present value of fund-related charges net of expenses, and therefore the impact of equity stresses.

C.2.4 Risk concentration

Risk concentrations within market risk (both at the asset class level and within asset classes) are controlled through various processes, including reviews of strategic asset allocations (SAAs), investment and hedging strategies, as well as investment constraints implemented via the GALF, Investment Management Agreements (IMAs) and fund management guidelines. These processes ensure that the overall market risk exposures are well-diversified.

C.2.5 Risk mitigation

The Group operates a robust Market Risk Framework to support the effective risk management of market risk and this includes:

- A market risk policy, appetite statements, risk limits and triggers covering key market risk exposures (e.g. interest rate sensitivity).

C Risk profile (Unaudited) (continued)

C.2 Market risk (continued)

- Asset and liability management programmes, including monitoring of projected liability cash flows to achieve close asset/liability matching.
- A quality of capital framework for PAC, which defines a set of principles for determining the optimal asset features to back components of PAC's shareholder balance sheet.
- A framework covering the triggering of an application to recalculate the Solvency II TMTP, which mitigates changes in risk margin due to interest rates (amongst other factors).
- Monitoring of the impact of market movements on the solvency coverage position against risk appetite.

Regular reviews of SAAs, investment and hedging strategies.

- Use of derivatives to hedge equities, interest rates and currency risks where appropriate.
- Regular reviews of forecast seed capital pipelines against risk appetite.
- Investment constraints and limits set out in IMAs and fund guidelines, which are subject to periodic review.

In addition, procedures are in place to respond to significant market events and disruptions, bringing together colleagues from across the business to provide enhanced monitoring and decision-making capability.

C Risk profile (Unaudited) (continued)

C.3 Credit risk

C.3.1 Risk description

Credit risk refers to the risk of loss or adverse change in the financial situation of the business, or that of customers and clients, resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors in the form of default or other significant credit event (e.g. downgrade or spread widening).

C.3.2 Risk exposure

Figure 39 below provides an overview of the key credit risks to which the Group is exposed and the nature of the risk exposure by entity.

Figure 39: Credit risk exposures across the Group

Risk Exposure	Entities Impacted
Invested credit	
M&G plc is exposed to credit risk on surplus assets held at the Holding Company level.	M&G plc
PAC Shareholder is exposed to credit risk through the impact that poor credit performance in the With-Profits Fund would have on the value of shareholder transfers.	PAC Shareholder, PAC With-Profits Fund
PAC is exposed to credit risk relating to the substantial volumes of public and private fixed income investments held in the asset portfolios backing the annuity business.	PAC Shareholder and PAC With-Profits Fund
Adverse changes in the value of the assets backing the policyholder asset shares may lead to an increase in the expected cost of policyholder guarantees and the cost of providing smoothed returns. This risk is largely borne by the With-Profits Fund itself, though shareholder support may be required in extreme circumstances where the fund has insufficient resources to support the risk.	PAC With-Profits Fund and (in extremis) PAC Shareholder
For unit linked contracts and third party customer funds, the customer bears the direct credit risk on their investments. However, the value of the charges/fees is dependent on the assets under management and therefore is exposed to credit risk based on the underlying investments.	PAC Shareholder, PAC With-Profits Fund, PPL and MGG
MGG has some direct exposure to credit risk through its seed investments.	MGG
M&G plc and PAC are subject to invested credit risk exposures arising from the risk of additional deficit funding contributions to the defined benefit staff pension schemes, as they are responsible for ensuring the defined benefit staff pension schemes (which are closed to new members) remain adequately funded to meet their expected future liabilities.	M&G plc and PAC
Counterparty Risk	
The Group is exposed to counterparty risk, through the use of derivatives for risk reduction and efficient portfolio management, the use of reinsurance for risk reduction and the placing of cash and deposits with counterparties, the application of securities lending and reverse repo transaction for efficient portfolio management, the settlement of trading exposures with brokers, and trade receivables.	M&G plc, PAC Shareholder, PAC With-Profits Fund, MGG and PPL.
MGG has short-term counterparty exposures to fund subscriptions and redemptions between investors and underlying funds, where MGG acts as a principal in such transactions (UK unit trust/OEIC debtors), as a client may default on payment to MGG. These settlement balances can be volatile and significant in value, albeit MGG can cancel the units in case of payment failure or on-sell such units to other investors.	MGG

C.3.3 Risk measurement

For measures of credit risk, the undiversified SCR is used as a key assessment of the size of the credit risk the business is exposed to under severe ("1-in -200 year") stresses, with regular stress and scenario tests applied to understand the sensitivity of the overall Solvency II capital position to credit risk. This is supported by regular counterparty monitoring including assessments of credit ratings and stress and scenario testing, with particular focus on the potential impact of higher-than-expected downgrades and credit spread widening, to support the Group's understanding of the key drivers of its credit risk exposure. This is further supported by solvency monitoring and experience analysis. Regular measurement and monitoring of individual credit risk exposures against individual limits is also conducted.

The shareholder credit risk capital reduction is primarily driven by the effect of the increase in yields over the year, the run-off of the in-force book of non-profit annuity business, and the impact of the changes to the Matching Adjustment calculation arising from the UK reforms to Solvency II. The exposure to credit risk is broadly unchanged for the PAC With-Profits Fund as a result of the increased sensitivity of the traditional With-Profits business following the changes to the prospective modelling of the with-profits fund being offset by the run-off of the in-force book of business, the impact of the changes in economics and the excess surplus distribution.

C Risk profile (Unaudited) (continued)

C.3 Credit risk (continued)

C.3.4 Risk concentration

The Group's review of significant risk concentration encompasses a review of its exposure to various balance sheet asset classes, individual counterparties, specific geographical areas, industry sectors and currencies.

The Group has a Counterparty Rating and Limits Framework which limits significant concentration risks arising from counterparty transactions. Such exposures are assigned weightings based on credit rating categories to reflect the relative riskiness of each asset class.

PAC investment teams have responsibility to monitor credit concentration based on a predetermined set of limits for each of the PAC's business lines. Such limits are reviewed periodically and exposure against them is reported regularly to the respective governance forums. PAC also has in place an Investment Concentration Oversight Process (ICOP) which is a Risk Function tool to independently oversee invested credit risk concentrations through a defined set of triggers for single names by market value, sector and geographical exposure.

Figure 40 below shows the four largest counterparties for the shareholder-backed business and With-Profits Fund as at 31 December 2024 and 31 December 2023.

Figure 40: Largest counterparty exposures

Risk	2024	2023
PAC Shareholder-backed business	1) United Kingdom of Great Britain and Northern Ireland 2) European Investment Bank 3) Hannover Life Re 4) Jetty Finance DAC	1) United Kingdom of Great Britain and Northern Ireland 2) HSBC Holdings PLC 3) European Investment Bank 4) Jetty Finance DAC
PAC With-Profits Fund	1) United Kingdom of Great Britain and Northern Ireland 2) United States of America 3) European Investment Bank 4) Federal Republic of Germany	1) United Kingdom of Great Britain and Northern Ireland 2) United States of America 3) European Investment Bank 4) Federal Republic of Germany

Note that the counterparty analysis has been updated to allow for collateral held.

MGG aims to diversify its sources of revenue and has a low risk appetite to be over-exposed to any single country, single customer or client (including PAC funds), funds and fund managers.

C.3.5 Risk mitigation

The Group operates a robust credit and counterparty risk framework, which includes:

- Credit risk policy, standards, appetite statements, limits and triggers (including relevant governance and controls).
- Investment constraints, limits and triggers on the asset portfolios, in relation to credit rating, seniority, sector and issuer, via IMAs, SAA and the ICOP.
- Monitoring of current exposures in relation to appetite, limits and triggers and a range of forward-looking indicators, with reporting to and oversight by relevant committees.
- Investment constraints on individual counterparties, in particular for derivatives, reinsurance and cash counterparties. These constraints and limits are implemented via the Reinsurance Counterparty Risk Standards, Investment Office concentration limit frameworks, Investment Concentration Oversight Process and Counterparty Rating and Limits Framework.
- Robust internal credit rating processes.
- Ad-hoc deep dive reviews as well as counterparty, sector and asset reviews.
- Regular stress and scenario testing, with particular focus on the impact of higher than expected downgrades and credit spread widening. Consideration is also given to the impact of a potential loss in the Matching Adjustment eligibility.

C Risk profile (Unaudited) (continued)

C.4 Liquidity risk

C.4.1 Risk description

Liquidity risk is the risk that the Group and its businesses are unable to meet their financial obligations (e.g. claims, creditors and collateral calls) as they fall due because they do not have or are unable to generate sufficient liquid assets.

C.4.2 Risk exposure

Figure 41 below provides an overview of the key liquidity risks to which the Group is exposed and the nature of the risk exposure by entity.

Figure 41: Liquidity risk exposures across the Group

Risk	Entity Exposure
Liquidity risk	
Unexpected shortfalls in remittances from subsidiaries, which M&G plc relies on to meet its financial obligations and dividends to shareholders. Unexpected one-off liquidity requirements at the M&G plc level.	M&G plc
Higher than expected customer withdrawals or collateral requirements, and/or lower than expected market liquidity for assets in its with-profits and unit-linked funds.	PAC With-Profits, PAC Shareholder and PPL
Ineffective asset/liability matching or higher than expected credit defaults for non-profit annuity business, leading to a mismatch between cash received from PAC's investments and annuity payments to its customers.	PAC Shareholder
Higher than expected cash outflows from the shareholder business, e.g. due to tax or collateral requirements.	PAC Shareholder
The asset management operation is exposed to liquidity risk through a need to support the timely settlement of fund units while also maintaining sufficient liquidity to support daily operations and minimum regulatory liquidity requirements for its entities.	MGG

C.4.3 Risk measurement

The primary measurement of liquidity risk is through regular monitoring of liquidity coverage ratios (LCRs) against the Group's liquidity risk appetite. These consider whether liquidity is sufficient to meet requirements under plausible adverse scenarios comprising both idiosyncratic factors and systemic market factors.

C.4.4 Risk concentration

The Group's overall approach to the management of liquidity is such that material concentrations of liquidity risk are avoided. For example, surplus liquidity is generally held at the Holding Company level (within PruCap) which can be deployed if needed to support liquidity requirements anywhere within the Group. In addition, liquidity for business in PAC and MGG is subject to regular monitoring against defined risk limits, mitigating the risk of liquidity risk concentrations arising.

C.4.5 Risk mitigation

M&G plc uses cash remittances from its subsidiaries to meet its financial obligations and pay dividends to shareholders. M&G plc also maintains a liquidity buffer to reinvest back into the business as required to support the overall business strategy, and to meet any unexpected shortfalls in subsidiary dividends or other one-off requirements. This liquidity buffer, which is managed by PruCap, is held in liquid assets, predominantly cash, gilts and high-quality fixed interest securities which can be used to raise additional funding from both internal and external repo facilities. In addition, although M&G plc has not yet raised commercial paper as an independent listed company as of 31 December 2024, commercial paper can be used to provide financial flexibility and a source of operational funding. M&G plc also has committed facilities with a number of banks which can be used to provide liquidity in extremis.

The Group operates a robust Liquidity Risk Management Framework, detailed in a Liquidity Risk Management Plan, which includes:

- A Liquidity Risk Policy, which set out the key requirements for the management of liquidity risk on an ongoing basis. Compliance with the requirements of the policy are subject to an annual attestation process;
- Regular monitoring of liquidity risk against defined appetites, trigger and limits set out in the GALF. In addition, regular monitoring of cashflows and the Financial Management Framework liquidity buffer is also conducted and provided in the FCLC MI pack;
- Detailed monitoring of liquidity risk is also conducted at subsidiary level, including regular monitoring of the PAC shareholder fund liquidity position, quarterly monitoring of base and stress LCRs and Eligible Collateral Coverage Ratios over various time horizons for defined segments of PAC business against specific limits and triggers set out in the GALF and the Matching Adjustment Liquidity Risk Policy and daily monitoring of liquidity sufficiency at MGG;
- A Liquidity Contingency Plan (LCP) which sets out the procedures to be followed if a material liquidity risk event arises or is expected to arise and supports timely and decisive management action. The LCP also set out the potential sources of liquidity for the Group under stress. PAC and MGG also have similar plans in place;
- The use of deferral clauses in those unit-linked funds which may be inherently more illiquid, in particular property funds, allowing the deferral of cash payments to withdrawing customers in extreme adverse liquidity scenarios. Liquidity risk cannot be completely eliminated for unit-linked funds, in particular over the short term where withdrawal experience can be volatile, e.g. as a result of market uncertainty;

C Risk profile (Unaudited)

C.4 Liquidity risk (continued)

- Controls on use of derivatives under the RMF to ensure that PAC holds assets that are sufficient in value such that it could meet its collateral obligations in the relevant currency when it falls due, following reasonably foreseeable adverse variations (relying solely on cash flows from, or from realising, those assets), mitigating any significant risks for PAC's liquidity; and
- Regular stress and scenario testing as part of business planning, dividend, ORSA and ICARA processes.

C Risk profile (Unaudited)

C.5 Operational risk

C.5.1 Risk description

Operational Risk is defined as the risk of financial or non-financial impact resulting from inadequate or failed internal or outsourced processes, colleague errors, technology or systems issues, or from external events.

C.5.2 Risk exposure

The Group recognises operational risk exists as it delivers its objectives, and seeks to proactively manage exposure to an acceptable level through the implementation of controls, whilst not excessively restricting business activities. Exposures can arise through, but are not limited to, the following areas:

- Business operations and process failure.
- Workplace safety and employment practices.
- Third party resilience and management.
- Technology resilience and digital security.
- Change risk.
- Data management and privacy risk.
- Legal risk.
- Model risk.

In particular, a material failure or operational disruption in the underlying technology, processes and associated controls supporting the Group's activities or that of material third-party suppliers could result in poor customer outcomes, reputational damage, increased costs and regulatory censure. The Group's dependence on technology means the loss or sustained unavailability of key hardware or software, inadequate information security arrangements and ineffective use of digital solutions could impact the Group's ability to operate effectively. Additionally, serious failings in the delivery or persistent under performance of third-party supplier arrangements could impact the delivery of services to customers.

Further exposure exists where potential failure to deliver on the significant change programmes within cost and capacity constraints may impact the business model and ability to deliver against the business plan and strategy.

C.5.3 Risk measurement

Operational risk is primarily measured and monitored through the Group's RAS as part of the Risk Management Framework, providing the basis to assess the inherent and residual risk exposure and effectiveness of operational controls across the Group.

The Group allocates capital for operational risk within the Internal Model SCR calculation. On an annual basis, regulated entities across the Group assess 'Extreme but Plausible' operational risk scenarios to determine the required level of operational risk capital. These scenarios represent issues which, though very low in likelihood, have the potential to create extreme losses through a single, or increased frequency of, such events. Each entity's exposures are taken into account when calculating operational risk capital requirements, identifying the risks they face and allocating capital accordingly.

Outputs for each scenario are consolidated, taking into account the probability that not all scenarios will occur together, to provide an overall view of Group operational risk capital requirements. The most recent assessment identified key operational risk scenarios in respect of Business Operations and Processes, Change, Model, Technology Resilience and Digital Security and Financial Crime.

C.5.4 Risk concentration

From an operational risk point of view, the main sources of risk concentration are related to third party outsource arrangements. The Group has a high dependency on a few key third parties to provide essential business services. The Group is enhancing the existing third party risk management framework for global operations, including in the selection, on-boarding, management and termination of third parties.

One of the objectives of M&G's Technology strategy is to be more Cloud-enabled, which increases concentration risk due to increased dependency on a small number of providers. To manage this risk, all Technology objectives are bounded by the requirement for resilience, which considers the Group's ability to withstand, absorb and recover from disruptions.

C.5.5 Risk mitigation

The Risk Management Framework defines the Group's approach to managing operational risks and associated controls. This incorporates the policy, framework and standards for a consistent approach to be applied across the Group. The following methods are used to manage and reduce operational risk:

- Risk Management Framework and internal control system that provide the tools and processes to mitigate operational risk.
- Additional policies, standards and procedures which cover specific operational risk exposures.
- Internal and external post incident lessons learned reviews.
- Corporate insurance programmes to limit the financial impact of operational risks.
- Regular testing of elements of the business continuity and disaster recovery plans.

C Risk profile (Unaudited)

C.5 Operational risk

- Strong project governance, including oversight of metrics to monitor and report on the delivery, costs and benefits of transformation programmes, with reporting and escalation of risks to management and relevant Boards.
- Implementation of the operational resilience framework, including the Operational Resilience Policy.
- Dedicated subject matter expert in a second line oversight function to challenge, monitor and report on operational risks.
- Artificial Intelligence (AI) Framework, supported by an AI Governance Forum, to assess and maintain safe and appropriate adoption of AI capabilities within the Group.

C Risk profile (Unaudited)

C.6 Other material risks

C.6.1 Business environment and market forces risk

Changing client preferences together with economic and political conditions, could adversely impact the Group's performance against its strategy. Economic factors may impact product demand and the ability to generate an appropriate return. Increased geopolitical risks and conflicts and policy uncertainty may impact the Group's products, investments and operating model. The Group's reliance on its key product PruFund for its sales inflows and on its intermediated channel for savings solutions sales heighten its exposure to changing economic conditions and client preferences.

To manage this risk, the Group conducts an annual strategic planning process, which is overseen by the Risk and Compliance Function and the Board, and results in an approved strategy. The process considers the potential impact of the wider business environment and economy. Throughout the year, the Group monitors and reports on the delivery of the plan. The Group have re-entered the BPA market to support growth and diversification from PruFund.

C.6.2 Sustainability and ESG Risk

A failure to address and embed sustainability considerations within the Group's strategy, products, risk management, operating model and communication approach could adversely impact on the Group's financial performance, reputation and future growth. The Group considers and acts upon a broad range of issues including those concerning greenwashing, climate impact, diversity and inclusion, and corporate governance.

Climate change is a critical aspect of sustainability and ESG risk. Both transition and physical risks have the potential to impact operations and the value of the assets the Group manages on clients' behalf, which directly influences the Group's revenues and the value of assets held on its balance sheet. Key categories of climate risk are shown in Figure 42.

Figure 42: Key Categories of Climate risk

	Risk	Description
Transition Risks	Policy and legal	Carbon pricing, climate regulation and restrictions on carbon intensive activities impacting profitability and asset values. Increased risk of climate litigation impacting the Group's reputation and profitability and that of investee companies.
	Technology	Renewable energy, cleaner transport and other low-emission products and services replacing carbon-intensive technologies impacting asset values through obsolescence and potential stranding of assets.
	Market	Changes in consumer and investor preferences impacting demand for M&G's products and those of investee companies, hence the firm's revenue and asset values.
	Reputation	Damage to the Group's standing among clients, investors and other stakeholders (e.g. from greenwashing, or failure to meet climate commitments or regulatory requirements).
Physical Risks	Acute Physical	Increased frequency and severity of extreme weather events impacting operations and asset values.
	Chronic Physical	Longer-term shifts in climate patterns and associated impacts on food and water security, human health and geopolitical risk. This can lead to damage and disruptions to M&G's operations and assets held over the longer term.

The Group's ESG Risk Policy sets out the key requirements for the management of ESG risk on an ongoing basis, supporting the delivery of the Group's strategic plans and objectives, in a manner consistent with the RMF, non-financial risk appetite and KRIs. In particular, the key requirements relate to the identification, assessment and management of ESG risks. The Group considers climate risk in its key strategic decisions and risk assessment. Scenario modelling is leveraged across the Group covering a range of time horizons.

Further details of the Group's approach to climate risk can be found in the Climate Related Disclosures of the M&G plc Annual Report and Accounts.

C.6.3 Investment risk

A failure to deliver against fund mandates or client investment objectives (including sustained underperformance of funds), to maintain risk profiles that are consistent with clients' expectations, or to ensure that fund liquidity profiles are appropriate may all lead to poor customer outcomes and result in fund outflows. If these risks materialise for larger funds or a range of funds, it may impact the group's profitability, reputation and growth plans.

The Group's fund managers are accountable for the performance of the funds they manage and the management of the risks within the funds. Independent Investment Risk team and Performance Reporting team oversee fund performance, fund liquidity and investment risks. Such activities feed into established oversight and escalation forums to identify, measure and oversee investment performance, investment risk and fund liquidity risks.

Further information on the management of investment performance risk and investment risk is set out in Section C.7.3 regarding the Prudent Person Principle.

C.6.4 People risk

The success of the Group's operations is highly dependent on its ability to attract, retain and develop highly qualified people with the right mix of skills and behaviours, to support its positive culture and growth.

C Risk profile (Unaudited)

C.6 Other material risks (continued)

The Group has an HR Framework designed to align staff objectives and remuneration to the Group's business strategy and culture. Its management and boards receive regular reporting on key people issues and developments. The Group conducts regular colleague surveys to better understand colleagues' views and use the survey findings to improve their experience.

C.6.5 Regulatory risk

The Group is exposed to the risk from potential failure to meet regulatory requirements or to adequately consider regulatory expectations, standards or principles. The Group operates in a highly regulated environment, interacts with regulators globally, and is subject to a number of regulatory initiatives. There are wide-ranging consequences of regulatory non-compliance, including client detriment, reputational damage, fines and restrictions on operations or products.

Accountability for compliance with regulatory and legal requirements sits with senior management. The Risk and Compliance Function provides guidance to, and oversight of, the Group's business in relation to regulatory compliance matters, and carries out assurances activities to assess compliance with regulations and legislation.

C.6.6 Reputational risk

The Group's reputation is the sum of its stakeholders' perceptions, which are shaped by the nature of their expectations and the Group's ability to meet them. There is a risk that through activities, behaviours or communications, the Group fails to meet stakeholder expectations and adversely impacts trust and reputation. Failure to effectively manage reputational risk could result in poor stakeholder outcomes and impact revenues and cost base, the ability to attract and retain the best staff and potential regulatory intervention or action.

The Group's Reputational Risk Management Framework and dedicated Reputational Risk team monitor and report on reputational risks using a suite of metrics to monitor stakeholder groups. In addition, the Group has embedded reputational risk champions throughout the business, who perform an active role in identifying and monitoring key reputational risks and drivers.

C.6.7 Conduct risk

There is a risk that through the acts or omissions of individuals within the Group, the Group delivers poor or unfair outcomes for its clients, colleagues, or other stakeholders, or that it affects market integrity. Observing the proper standards of conduct in all its forms is essential. The Group's Asset Management business has a Conduct Management Framework to provide a consistent process for conduct management and the Life business has a mature suite of customer outcome management information in place in support of Consumer Duty. Due to the broad nature of conduct risk, management is pervasive and reflected in policy and processes including Code of Conduct, Conflict of Interest, Market Abuse and Investment Communications Recording policies.

C.7 Any other information

C.7.1 Risk sensitivity

C.7.1.1 Stress and scenario testing

Stress and scenario testing is embedded in the RMF. It is performed in order to:

- Assess the Group's ability to withstand significant deterioration in financial and non-financial conditions, including environmental impacts such as climate change.
- Provide feedback to decision making processes by identifying areas of potential business failure.
- Demonstrate to stakeholders that the Group has adequate capital and liquidity levels.
- Demonstrate that the Group has appropriate and plausible management actions available to cover potential losses incurred during extreme, but plausible events.
- Assist in the monitoring of adherence to the Group's risk appetite.

To evaluate the Group's resilience to significant deteriorations in market and credit conditions and other shock events, the quantifiable risks facing the Group, as described in the sections above, are assessed via stress scenarios of varying severities. In addition, annually the Group derives a reverse stress test which gives the directors an understanding of the type and strength of scenario expected to result in the Own Funds falling below 100% of the SCR. The Group also maintains a Risk Appetite Framework which includes an assessment of the Group's ability to withstand a specified level of shock and still cover its SCR.

Mitigating management actions designed to maintain or restore key capital, liquidity and solvency metrics to the Group's approved risk appetite are available to the Group in times of stress. As such, these actions will be available in the scenarios tested and will assist in maintaining the viability of the Group over the plan period.

Stress tests are performed separately for the Group's shareholder-backed business and the With-Profits Fund.

The methodology and assumptions applied to calculate the balance sheets in the stress scenarios are broadly consistent with those applied when valuing the reported balance sheet, however the movement in stressed own funds is calculated using the proxy models within the Solvency II Internal Model rather than the full valuation models. The methodology and assumptions are subject to some accepted limitations with the stress testing methodology reviewed and approved on an annual basis to ensure it remains appropriate.

C.7.1.2 Sensitivity Analysis

The Group's estimated shareholder, With-Profits Fund and regulatory views of the Solvency II capital position, under a range of sensitivities are shown in Figure 43 below as at 31 December 2024 and 31 December 2023.

Figure 43: Impact of sensitivities

	Shareholder view						PAC With-Profits Fund view		Regulatory view[1]			
	M&G plc		PAC		PPL				M&G plc		PAC	
Solvency II sensitivities	Surplus £m	Solvency ratio %	Surplus £m	Solvency ratio %	Surplus £m	Solvency ratio %	Surplus £m	Solvency ratio %	Surplus £m	Solvency ratio %	Surplus £m	Solvency ratio %
2024												
As reported	4,708	223 %	3,507	214 %	57	315 %	5,765	284 %	4,708	168 %	3,507	157 %
20% fall in equity markets	4,145	211 %	2,961	200 %	55	323 %	5,352	263 %	4,145	159 %	2,961	147 %
20% instantaneous fall in property markets	4,337	214 %	3,163	203 %	57	315 %	5,676	279 %	4,337	162 %	3,163	151 %
50 basis points fall in interest rates	4,691	219 %	3,486	209 %	58	314 %	5,686	272 %	4,691	165 %	3,486	154 %
100 basis points increase in credit spreads	4,551	220 %	3,359	211 %	56	314 %	5,512	278 %	4,551	166 %	3,359	155 %
20% credit asset downgrades	4,565	219 %	3,360	209 %	57	314 %	5,646	278 %	4,565	165 %	3,360	154 %
2023												
As reported	4,525	203 %	3,245	190 %	49	267 %	7,165	403 %	4,525	167 %	3,245	154 %
20% fall in equity markets	3,858	189 %	2,669	176 %	46	268 %	7,096	404 %	3,858	158 %	2,669	146 %
20% instantaneous fall in property markets	4,107	193 %	2,869	180 %	49	267 %	7,174	408 %	4,107	161 %	2,869	148 %
50 basis points fall in interest rates	4,420	196 %	3,156	184 %	49	264 %	7,140	397 %	4,420	163 %	3,156	151 %

C Risk profile (Unaudited)

C.7 Any other information (continued)

	Shareholder view						PAC With-Profits Fund view		Regulatory view[1]			
	M&G plc		PAC		PPL				M&G plc		PAC	
Solvency II sensitivities	Surplus £m	Solvency ratio %	Surplus £m	Solvency ratio %	Surplus £m	Solvency ratio %	Surplus £m	Solvency ratio %	Surplus £m	Solvency ratio %	Surplus £m	Solvency ratio %
100 basis points increase in credit spreads	4,301	200 %	3,124	189 %	48	264 %	6,948	406 %	4,301	165 %	3,124	154 %
20% credit asset downgrades	4,325	198 %	3,042	184 %	49	265 %	7,060	398 %	4,325	164 %	3,042	151 %

1. The regulatory view provides the combined position of the shareholder-backed business and With-Profits Fund for M&G plc and PAC taking account of ring-fenced funds restrictions.

A description of each sensitivity is as follows:

– The equity and property sensitivities reflect a 20% instantaneous fall in all global equity and property markets respectively, including both residential and commercial property exposures.

– The interest rate sensitivity reflects a 50 basis points reduction in the gross redemption yield on all fixed interest securities and the real yield on all variable securities, and a 50 basis points reduction in all points of all swap curves which form the basis of the valuation interest rates. The adjustment for credit risk is unchanged from that allowed for in the base results.

– In the credit spread sensitivity corporate bond yields for A rated investments have increased by 100bps. The yields for other corporate bonds have increased by a proportion of 100bps where the proportion is equal to the base spread for the relevant rating divided by the base spread for the A rated bonds. There is no change in gilt and approved security yields and there is no change to the default assumptions or ratings.

– The credit asset downgrade stress reflects a full letter downgrade on 20% of all assets for which the credit rating is a determinant of the capital requirements.

A range of additional individual and combined stress and scenario tests are also run as a matter of course to help understand the key drivers of the Group's material risk exposures.

Note that PAC has the ability to call down support under a Parental Support Agreement with M&G plc under certain defined circumstances, which provides additional solvency protection. Similarly, PPL also has the ability to call down support under a Capital Support Agreement provided by PAC.

Shareholder sensitivities

The scenario assessments for the shareholder-backed business make no allowance for any management actions beyond allowing trading in the matching adjustment portfolio to ensure that the regulatory criteria for using a matching adjustment remain satisfied.

The results from stress testing show that the Group's shareholder business remains exposed to market risks through downwards interest rate movements, equity and property shocks, and to credit risk through downgrades and defaults in the credit portfolio and/or spread widening. The exposures largely arise in respect of the non-profit annuity business and the shareholder transfers. In practice, a number of these risks could occur together.

Consideration of the coincidence of risks through combined and reverse stress testing has shown that it would take a strong market event including credit shocks to reduce the solvency ratio below 100%.

M&G plc and PAC's shareholder business is also exposed to underwriting risks, in particular longevity, expense risk and lapses.

With-Profits Fund sensitivities

The analysis for the With-Profits Fund allows for management actions, but does not reflect all the approved management actions that could be taken in future. A full review and rebuild of the prospective with-profits modelling, including the modelling of management actions, prospective investment returns and bonus rates, was completed in 2024. These changes in the prospective modelling have increased the sensitivity of the With-Profits Fund to market stresses, primarily because the impacts from applying modelled protective management actions in the SCR under these sensitivities is reduced.

The results from stress testing show that the With-Profits Fund is exposed to market risks through downwards equity and property movements and to credit risk through downgrades in the credit portfolio and/or spread widening. The With-Profits Fund is also sensitive to interest rate movements, with hedges in place to manage this exposure, and the results show that the exposure is to downwards interest rate movements at year-end 2024.

In practice, a number of these risks could occur together. Consideration of the coincidence of risks through combined stress testing has shown that it would take an extremely strong market event including credit shocks to reduce the solvency ratio below 100%.

The With-Profits Fund is further exposed to underwriting risk through longevity, expense and persistency risk.

C Risk profile (Unaudited)

C.7 Any other information (continued)

M&G plc and PAC sensitivities

In addition, M&G plc holds securitised loans backed by residential ground rents, which could be adversely affected by potential future legislative changes in the Draft Leasehold and Commonhold Reform Bill included in the King's Speech on 17 July 2024. The sensitivity of these assets to changes in the discount rate used in their valuation is set out in Note 31 of the consolidated financial statements in the 2024 M&G plc Annual Report and Accounts. In the event of a 'peppercorn cap', the assets would have a value of close to Nil, and the value of the technical provisions would be impacted due to a change in the overall portfolio yield on the writing down of the underlying assets. Finally, in this event the SCR held in respect of the ground rent assets, and the additional SCR being held at 31 December 2024 to allow for the uncertainty around the outcome of the consultation, would be released. The overall impact would be dependent on the replacement assets used to rebalance the portfolio.

PPL sensitivities

Stress test results confirm that PPL is relatively insensitive to adverse market events, which is consistent with the fact that unit-linked policyholders bear most of the market risk. PPL is most materially exposed to expense and persistency risks, which are actively managed and monitored.

Consideration of the coincidence of risks through combined stress testing has shown that it would take an extremely strong market event including credit shocks to reduce the capital coverage ratio below 100%.

C.7.2 Special Purpose Vehicles

There are no special purpose vehicles that fall into the definition within the PRA Rulebook.

C.7.3 Prudent Person Principle

The Prudent Person Principle requires that the Group only makes investments on behalf of customers that a "prudent person" would make. In order to comply with this principle, the Group has to be able to identify, understand, measure and monitor any risks arising from its investment portfolios, as well as demonstrate that it carries out these activities appropriately.

Risk factors relevant to investment strategy are detected via a number of different processes, principally through the Group's risk identification process. These risk factors are overseen primarily under the RMF alongside other well-established investment processes (e.g. such as the SAA), ensuring that the Group's investment risks are managed effectively and efficiently, and within risk appetite. The RMF is supported by policies which focus on the integrity and effectiveness of the investment processes, governance and controls, as well as appropriateness of resourcing and compliance of processes with applicable regulatory requirements (including the Prudent Person Principles set out in the PRA Rulebook.

The Group outsources investment management to both intra-group and external asset managers with that business governed by a common governance framework. The following information provides details on the approach the Group applies to the Prudent Person Principle when making investment decisions:

- Group-wide policies provide a framework for the oversight of financing and investment activities. They are designed to provide general, prudent and principle-based guidance for both shareholder-backed business and business written in the With-Profits Fund. In particular, they are designed to ensure that investment decisions are taken with appropriate cognisance and consideration of the risks involved, with clear sight of the customer outcome objectives, and robust challenge.
- The Investment Risk Policy covers investment risk across the Group, specifically setting out the group-wide framework for management and oversight of investment performance and investment related risk which includes minimum standards, controls and requirements for risk management. It aims to ensure that all Group entities have appropriate procedures in place to manage, monitor and report on the investment risk that they have taken on for both individual risks and risks in aggregate.
- The framework is supported by further documents including specific policies that cover credit, market, underwriting, liquidity, operational, ESG, reinsurance and investment risk as well as lower level operating standards and approved limits. From time to time, additional relevant risk factors may be identified through the Group's risk identification processes. These will be taken into account as appropriate depending on their nature, level of materiality and transience, and will be monitored.
- The Best Execution and Order Handling policies set out the requirements under which customer outcomes are achieved to ensure full compliance with all local regulations. These are supplemented by asset class procedures that detail operational controls.
- The Group oversees its asset managers through monitoring compliance with IMAs and investment mandates. These are structured in order to ensure that, in line with the Prudent Person Principle, appropriate activities for identifying, understanding, measuring and monitoring relevant risks are carried out. Where these activities are carried out on a delegated basis by an asset manager, the Group carries out due diligence to confirm that the level of compliance with the requirements of the Prudent Person Principle remains appropriate. The Group updates and maintains IMAs and investment mandates in line with changes in investment strategy.

D Valuation for solvency purposes

This section provides a description of the bases, methods and main assumptions used in the valuation of assets (Section D.1), technical provisions (Section D.2) and valuation of other liabilities (Section D.3) under Solvency II and an explanation of differences to values in the statutory accounts. M&G plc statutory accounts are prepared on an IFRS basis and the statutory accounts for PAC and PPL are prepared on a UK GAAP basis.

Recognition of assets and liabilities under Solvency II is generally the same as for the statutory accounts, except for:

- Under IFRS 17, a liability, which is separate to the liabilities for the in-force with-profits contracts (in accordance with paragraph B71 of IFRS 17), is held in the With-Profits Fund; this reflects the additional amounts expected to be paid to current or future policyholders. Under Solvency II, 100% of with-profits assets are captured in the excess of assets over liabilities (subsequently restricted by ring-fenced fund restrictions);
- Under UK GAAP, the Fund for Future Appropriations is recognised as a liability in the statutory balance sheet, but treated as surplus under Solvency II (subsequently restricted by ring-fenced fund restrictions);
- Contingent liabilities are not recognised on the statutory balance sheet but are recognised as liabilities under Solvency II if material;
- M&G plc own shares form part of equity and are valued at cost in the statutory balance sheet, but are recognised on the Solvency II balance sheet as assets at fair value (subsequently deducted from own funds); and
- IFRS 16 leasing assets and liabilities are not recognised under UK GAAP but are recognised under Solvency II (based on IFRS recognition rules).

Assets and liabilities have been valued according to the requirements of the PRA Rulebook and related guidance. Unless otherwise stated, the Solvency II valuation is the amount for which assets could be exchanged, or liabilities settled, between knowledgeable willing parties in an arm's length transaction. Section D.1.1 provides further information on the valuation approach.

Some of the Group's assets and liabilities are determined using alternative valuation methods which use non-observable inputs and are described in Sections D.1.1 (d) and Section D.4.

The valuation and presentation of assets and liabilities can differ under statutory accounts and Solvency II. Figures 44 to 46 below summarise the statutory position and provide a reconciliation of presentational and valuation differences to the Solvency II balance sheet, with further detail provided in Sections D.1, D.2 and D.3.

Where the valuation of assets and liabilities is the same on the statutory basis, further information on the bases, methods and main assumptions can be found in the accounting policies and notes of the M&G plc 2024 Annual Reports and Accounts, in particular Note 1.5.5 which covers 'Financial instruments' and Note 31 'Fair value methodology'. Equivalent UK GAAP disclosures can also be found in the accounting policies and notes of the PAC and PPL 2024 Statutory Accounts, in particular Note 1 (F) and Note 1 (G) which covers 'Financial assets and liabilities' and Note 28 and Note 21 respectively which covers 'Fair value methodology'.

Section D.5 identifies any areas where the bases, methods and assumptions used by the Group differ materially from those used by its subsidiaries for solvency valuation purposes.

As at 31 December 2024, the Solvency II balance sheet incorporates no changes to the recognition of assets and other non-insurance liabilities, compared to the 31 December 2023 Solvency II balance sheet.

Figure 44: M&G plc - Reconciliation from IFRS consolidated statement of financial position to Solvency II balance sheet

IFRS line items	IFRS As at 31 December 2024 £m	Differences: Unit-linked and Consolidation (a) £m	Differences: Other Presentational (b) £m	Differences: Recognition and Valuation (c) £m	Solvency II As at 31 December 2024 £m	Solvency II As at 31 December 2023 £m	Solvency II line items
Assets							**Assets**
Goodwill and other intangibles	1,714	(325)	—	(1,389)	—	—	Intangible assets
Deferred acquisition costs	19	—	—	(19)	—	—	Deferred acquisition costs
Deferred tax assets	487	(57)	366	(248)	548	536	Deferred tax assets
Defined benefit pension asset	45	(1)	—	—	44	16	Pension benefit surplus
Investments, deposits, cash and cash equivalents[1]	172,233	(87,708)	(12,640)	(42)	71,843	76,488	Investments, deposits, cash and cash equivalents[1]
Investment in joint ventures and associates (equity accounted)	284	63,651	—	197	64,132	61,423	Holdings in related undertakings including participations[2]
Assets held for index-linked and unit-linked contracts	—	14,694	(879)	—	13,815	13,961	Assets held for index-linked and unit-linked contracts
Loans	4,135	(4,429)	12,925	—	12,631	14,079	Loans and mortgages
Insurance contract assets	39	—	(39)	—	—	—	
Reinsurers' share of insurance contract liabilities	1,043	—	1,113	(668)	1,488	2,310	Reinsurance recoverables
Other assets[3]	4,225	(2,777)	(407)	(16)	1,025	976	Other assets[3]
Own shares (held directly)[4]	—	—	—	58	58	61	Own shares (held directly)[4]
Total assets	**184,224**	**(16,952)**	**439**	**(2,127)**	**165,584**	**169,850**	**Total assets**
Liabilities							**Liabilities**
Insurance, reinsurance, and investment contract liabilities	153,689	—	—	(153,689)	—	—	Technical provisions
Best estimate liabilities	—	(903)	(850)	140,634	138,881	140,498	Best estimate liabilities
Risk margin[5]	—	—	—	313	313	317	Risk margin[5]
Provisions	114	(87)	—	—	27	25	Provisions other than technical provisions
Defined benefit pension liability	258	(258)	—	—	—	—	Pension benefit obligations
Deferred tax liabilities	705	(161)	351	(308)	587	542	Deferred tax liabilities
Derivative liabilities	3,202	(306)	—	—	2,896	2,580	Derivatives
Third party interest in consolidated funds	9,484	(9,504)	425	(32)	373	441	Financial liabilities other than debts owed to credit institutions
Other liabilities[6]	13,449	(5,733)	513	(713)	7,516	9,777	Other liabilities[6]
Total liabilities	**180,901**	**(16,952)**	**439**	**(13,795)**	**150,593**	**154,180**	**Total liabilities**
Total equity	**3,323**	**—**	**—**	**11,668**	**14,991**	**15,670**	**Total excess of assets over liabilities**

D Valuation for solvency purposes (continued)

1. Investments include Property (other than for own use), Equities, Collective Investment Undertakings, Bonds, Derivatives, Deposits other than cash equivalents, Cash and cash equivalents. The breakdown of these are detailed in Section D.1.2.5 Figure 47

2. Holdings in related undertakings and participations reflects sectoral undertakings, open-ended investment companies, unit trusts and other investment funds meeting the definition of a participation under Solvency II. Other related undertakings are consolidated on a line-by-line basis. Further details are set out in Section D.1.2.6.

3. Other assets include Property, plant and equipment held for own use, Insurance and intermediaries receivables, Reinsurance receivables and Receivables (trade, not insurance). The breakdown of these are detailed in Section D.1.2.9 Figure 48.

4. Own shares are shown as a component of equity in the IFRS consolidated statement of financial position, but as balance sheet assets in Solvency II. The own shares are recognised on the Solvency II balance sheet at fair value, while IFRS equity includes the shares valued at cost.

5. Net of TMTP. TMTP is £411m and Risk Margin is £724m.

6. Other liabilities includes debts owed to credit institutions, Deposits from reinsurers, Insurance and intermediaries payable, Payables (trade, not insurance), Reinsurance payables and Subordinated liabilities. The breakdown of these are detailed in Section D.3.1.6 Figure 67.

Notes:

(a) Unit-linked and consolidation differences primarily represent presentational differences in the way unit-linked funds and holdings in related undertakings are consolidated. In the Solvency II balance sheet entities, other than insurance entities and ancillary service undertakings, are presented on single lines as 'Holdings in related undertakings, including participations', whilst under IFRS the underlying assets and liabilities are shown in each line of the consolidated statement of financial position.

This column also includes the impact of consolidation of certain funds with third party interests. The Solvency II balance sheet only recognises the proportion of the funds that the Group owns, whereas the IFRS consolidated statement of financial position recognises the entire fund and then separately includes a liability for third party interests.

(b) Other presentation differences represent movements between line items with no overall impact on the excess of assets over liabilities. The main differences include:

- £12,899m increase in loans and mortgages, in respect of reverse repos, which are instead presented as deposits under IFRS.
- £1,040m increase in reinsurance assets relating to arrangements which do not give rise to significant underwriting risk. Under IFRS these are deposit-accounted and reported in investments, deposits, cash and cash equivalents.

(c) Recognition and valuation differences primarily represent differences in valuation methods and assumptions, or the treatment of surplus in the With-Profits Fund, under IFRS and Solvency II. The most significant of these are:

- £7,959m reduction in other technical provisions arising from the liability held in accordance with paragraph B71 of IFRS 17 in the With-Profits Fund, net of an estimate of the effect of mutualisation. This reflects the additional amounts expected to be paid to current or future policyholders; for further details, including a full explanation of the effect of mutualisation, refer to Note 1 of the consolidated financial statements in the M&G plc Annual Report and Accounts. Under Solvency II, 100% of with-profits assets are captured in the excess of assets over liabilities (subsequently restricted by ring-fenced fund restrictions as described in section E).
- Under Solvency II, a risk margin is held, whereas IFRS 17 technical provisions include a CSM in respect of unearned profit and a risk adjustment to reflect uncertainty. Further details are set out in D.2.1.3.
- £292m net increase in technical provisions and reinsurance recoverables from differences in the assumptions and methodology between IFRS and Solvency II. See Section D.2.1.4 and section D.2.1.3 for further details.
- £1,733m reduction in the value of goodwill, deferred acquisition costs and other intangible assets (these are valued at nil under Solvency II) as explained in Sections D.1.2.1 and D.1.2.2.

PAC

Figure 45: PAC - Reconciliation from UK GAAP balance sheet to Solvency II balance sheet

		Differences					
	UK GAAP As at 31 December 2024	Unit-linked and Scope (a)	Other Presentational (b)	Valuation and Recognition (c)	Solvency II As at 31 December 2024	Solvency II As at 31 December 2023	
UK GAAP line items	£m	£m	£m	£m	£m	£m	Solvency II line items
Assets							**Assets**
Deferred acquisition costs	1	—	—	(1)	—	—	Deferred acquisition costs
Defined benefit pension asset	42	—	—	—	42	13	Pension benefit surplus
Investments, deposits, cash and cash equivalents[1]	133,868	(61,546)	(4,463)	—	67,859	71,317	Investments & Cash and cash equivalents (other than assets held for index-linked and unit-linked contracts and participations)
Participations	4,876	61,546	(744)	59	65,737	63,741	Holdings in related undertakings, including participations
Reinsurance recoverable	6,269	—	(317)	(275)	5,677	5,753	Reinsurance recoverables
Deferred tax assets	430	—	(105)	75	400	387	Deferred tax assets
Assets held for index-linked and unit-linked contracts	11,406	—	(6,003)	—	5,403	5,770	Assets held for index-linked and unit-linked contracts
Loans and mortgages	1,688	—	10,885	9	12,582	14,051	Loans and mortgages
Other assets [2]	1,310	—	309	(11)	1,608	1,439	Other assets
Total assets	**159,890**	**—**	**(438)**	**(144)**	**159,308**	**162,471**	**Total assets**
Liabilities							**Liabilities**
Fund for Future Appropriations	14,732	—	—	(14,732)	—	—	Other technical provisions
Technical provisions	134,122	—	—	(134,122)	—	—	Technical provisions
Best estimate liability	—	—	—	135,020	135,020	136,110	Best estimate liability
Risk margin[3]	—	—	—	273	273	276	Risk margin[3]
Provisions other than technical provisions	13	—	—	(2)	11	6	Provisions other than technical provisions
Defined benefit pension liability	—	—	—	—	—	—	Pension benefit obligations
Deferred tax liabilities	392	—	(105)	105	392	345	Deferred tax liabilities
Debts owed to credit institutions	2,909	—	(1,994)	—	915	996	Debts owed to credit institutions
Financial liabilities other than debts owed to credit institutions	10	—	—	0	10	12	Financial liabilities other than debts owed to credit institutions
Derivative liabilities	2,892	—	4	—	2,896	2,580	Derivatives
Other liabilities [4]	2,701	—	1,657	(31)	4,327	5,767	Other liabilities[4]
Total liabilities	**157,771**	**—**	**(438)**	**(13,489)**	**143,844**	**146,092**	**Total liabilities**
Total equity	**2,119**	**—**	**—**	**13,345**	**15,464**	**16,378**	**Excess of assets over liabilities**

1. The breakdown of these Investments are detailed further in Section D.1.2.5. Figure 47.
2. Other assets include Property, plant and equipment held for own use, Insurance and intermediary receivables and Reinsurance receivables and Receivables (trade, not insurance). The breakdown of these are detailed in Section D.1.2.9 Figure 48.
3. Net of TMTP. TMTP is £411m and Risk Margin is £684m.
4. Other liabilities includes, Deposits from reinsurers, Insurance and intermediaries payable, Reinsurance payables, Payables (trade, not insurance) and creditors arising out of reinsurance operations within UKGAAP. The breakdown of these are detailed in Section D.3.1.6, Figure 68.

Notes:

(a) Unit-linked and scope differences primarily represent presentational differences in the way unit-linked funds and holdings in related undertakings are disclosed. The difference represents a reclassification of £61,546m of collective investment in which PAC's holding exceed 20% which are classified as participations under Solvency II.

(b) Other presentation differences represent movements between line items with no overall impact on the excess of assets over liabilities. The main differences include:

- £10,885m increase in loans and mortgages mostly relates to the movement of reverse repos which are instead presented as deposits for UK GAAP.
- £6,003m relating to assets held by the index-linked and unit-linked funds which are presented together in a single line on the UK GAAP statutory accounts balance sheet rather than within each individual asset/liability category. These amounts reported as index-linked and unit-linked funds for the statutory accounts do not meet the Solvency II definition of assets held to cover linked liabilities and accordingly are reported in the various individual asset and liability categories.
- £1,994m relating to unsettled reverse repos are presented in the UK GAAP financial statements in debts owed to credit institutions however these get presented as part of Payables (trade, not insurance) on the Solvency II balance sheet in Other liabilities.

(c) Recognition and valuation differences primarily represent differences in valuation methods and assumptions, or the treatment of Fund for Future Appropriations of the With-Profits Fund, under UK GAAP and Solvency II. The most significant of these are:

- £14,732m reduction in other technical provisions arising from the treatment of the Fund for Future Appropriations. For UK GAAP, this surplus is considered a liability whilst in the Solvency II balance sheet it is treated as surplus (but is restricted when calculating own funds as described in Section E).
- £1,171m increase in technical provisions, which includes the best estimate liability and net risk margin, and £(275)m decrease in reinsurance recoverables from differences in the assumptions and methodology under UK GAAP and Solvency II. See Section D.2.1.3 and D.2.1.4 for further details.

PPL

Figure 46: PPL - Reconciliation from UK GAAP balance sheet to Solvency II balance sheet

		Differences					
UK GAAP line items	UK GAAP As at 31 December 2024 £m	Unit Linked and Scope (a) £m	Other Presentational (b) £m	Valuation and Recognition (c) £m	Solvency II As at 31 December 2024 £m	Solvency II As at 31 December 2023 £m	Solvency II line items
Assets							**Assets**
Investments (other than participations)	87	—	—	—	87	69	Government Bonds and Other Loans and Mortgages
Assets held in index-linked and unit-linked funds	7,273	—	(1,040)	—	6,233	6,093	Assets held for index-linked and unit-linked contracts
Reinsurance recoverable	26	—	1,040	—	1,066	1,681	Reinsurance recoverables
Cash and cash equivalents	19	—	—	—	19	4	Cash and cash equivalents
Other assets	14	—	(10)	—	4	25	Other assets
Total assets	**7,419**	**—**	**(10)**	**—**	**7,409**	**7,872**	**Total assets**
Liabilities						0	**Liabilities**
Technical provisions	7,299	—	—	(7,299)	—	—	Technical provisions
Best estimate liability	—	—	—	7,287	7,287	7,766	Best estimate liability
Risk margin	—	—	—	4	4	4	Risk margin
Deferred taxation	—	—	—	2	2	1	Deferred tax liabilities
Other liabilities	42	—	(10)	—	32	23	Other liabilities
Total liabilities	**7,341**	**—**	**(10)**	**(6)**	**7,325**	**7,794**	**Total liabilities**
Total equity	**78**	**—**	**—**	**6**	**84**	**78**	**Total excess of assets over liabilities**

D Valuation for solvency purposes (continued)

Notes:

(a) Unit-linked and scope differences do not impact PPL.

(b) Other presentation differences represent movements between line items with no overall impact on the excess of assets over liabilities. The main differences is:

- Under UK GAAP assets are recorded in aggregate as a single line entry on the balance sheet similar to Solvency II. The individual assets and non-insurance liabilities of the linked business are valued in accordance with the Solvency II principles set out in this section. The difference is in relation to investment contracts without discretionary participation features, where amounts due from reinsurers are reported as reinsurance under Solvency II but as investments under UK GAAP.

(c) Recognition and valuation differences primarily represent differences in valuation methods and assumptions under UK GAAP and Solvency II. The most significant of these is:

- £8m decrease in technical provisions, which includes the best estimate liability and risk margin, from differences in the assumptions and methodology under UK GAAP and Solvency II. See Section D.2.1.3 for further details.

D Valuation for solvency purposes (continued)

D.1 Valuation of assets

D.1.1 Determination of Solvency II fair value

Within the Solvency II balance sheet, assets are valued using valuation methods that are consistent with the valuation approach set out in the PRA Rulebook. There have been no significant changes in the valuation basis of assets in the Solvency II balance sheet in 2024. The overall principle when valuing assets and liabilities under Solvency II is to use fair value.

These valuation principles have been consistently applied to all the Group's related undertakings, other than OFS entities which, under Solvency II, are required to be valued using their local sectoral basis, or notional sectoral basis if the entity is not regulated (see D1.2.6 for details). These undertakings are presented in the Solvency II balance sheet on a single line basis within 'Holdings in related undertakings including participations'.

The Solvency II fair value hierarchy used to value the assets and liabilities of the Group (other than those relating to OFS entities) is set out below:

(a) Quoted market prices in active markets for the same assets or liabilities

As a default valuation method, the fair values of assets and liabilities are determined by the use of current market bid prices for exchange-quoted investments, by using quotations from independent third parties such as brokers and pricing services, or by using appropriate valuation techniques.

Investments which are valued using this method principally include exchange-listed equities, mutual funds with quoted prices, exchange-traded derivatives such as futures and options, and national government bonds, unless there is evidence that trading in a given instrument is so infrequent that the market could not be considered active. It also includes other financial instruments where there is clear evidence that the year-end valuation is based on a traded price in an active market.

As at 31 December 2024, the following amount of financial assets (net of any derivative liabilities) were valued using this approach:

- M&G plc: £75,758m (2023: £67,724m)
- PAC: £66,931m (2023: £58,040m)
- PPL: £6,244m (2023: £6,777m)

(b) Valuation methods using quoted market prices in active markets for similar assets and liabilities with adjustments to reflect differences

Where quoted market prices in active markets for the same assets or liabilities are not available, quoted market prices in active markets for similar assets and liabilities with adjustments to reflect factors specific to the asset or liability such as condition or volume or level of activity in the markets are used.

There are a limited number of financial assets valued in this manner. As at 31 December 2024, the following amount of financial assets (net of any derivative liabilities) were valued using this approach, primarily foreign exchange forwards:

- M&G plc: £67m (2023: £652m)
- PAC: £(347)m (2023: £237m)
- PPL: £0m (2023: £0m)

For (a) and (b), a number of criteria are applied in determining whether a market is considered 'active'. These include, but are not limited to, consideration of whether there is observable trading activity, and the depth and dispersion of prices observed on the measurement date.

The PAC value is negative as derivatives are in a net liability position for 2024. The M&G plc value is positive as it also has non derivative assets which offset the net derivative liability position.

(c) Alternative valuation methods - using inputs that are observable in the market

Where assets cannot be valued based on quoted market prices in active markets of the same or similar assets, alternative valuation methods are used.

Where possible, the alternative valuation method uses significant inputs into the valuation that are observable for the asset directly (i.e. market data) or indirectly (i.e. derived from market data). As at 31 December 2024, the following amount of financial assets (net of any derivative liabilities) were valued using this approach:

- M&G plc: £46,490m (2023: £57,064m)
- PAC: £45,266m (2023: £56,989m)
- PPL: £45m (2023: £85m)

A significant proportion of assets in this category are corporate bonds, structured securities and other national and non-national government debt securities. These assets, in line with market practice, are generally valued using independent pricing services or quotes from third-party brokers. These valuations are subject to a number of monitoring controls, such as monthly price variances, stale price reviews and variance analysis on prices achieved on subsequent trades.

Pricing services, where available, are used to obtain third-party broker quotes. When prices are not available from pricing services, quotes are sourced directly from brokers. The Group seeks to obtain a number of quotes from different brokers so as to obtain the most comprehensive information available on their executability. Where quotes are sourced directly from brokers, the price used in the valuation is normally selected from one of the quotes based on a number of factors, including the timeliness and regularity of the quotes and the

D Valuation for solvency purposes (continued)

D.1 Valuation of assets (continued)

accuracy of the quotes considering the spreads provided. The selected quote is the one which best represents an executable quote for the security at the measurement date.

(d) Alternative valuation methods - inputs not based on observable market data

Investments which are valued using this method principally include investments in private equity funds, directly held investment properties and investments in property funds which are exposed to bespoke properties or risks and investments which are internally valued or subject to a significant number of unobservable assumptions. It also includes debt securities which are rarely traded or traded only in privately negotiated transactions and hence where it is difficult to assert that their valuations have been based on observable market data.

Investments valued using valuation techniques with inputs not based on observable market data include financial investments which by nature do not have an externally quoted price based on regular trades, and financial investments for which markets are no longer active as a result of market conditions e.g. market illiquidity. The valuation techniques used include comparison to recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option-adjusted spread models and, if applicable, enterprise valuation. These techniques may include a number of assumptions relating to variables such as credit risk and interest rates. Changes in assumptions relating to these variables could positively or negatively impact the reported fair value of these instruments. When determining the inputs into the valuation techniques used priority is given to publicly available prices from independent sources when available, but overall the source of pricing is chosen with the objective of arriving at a fair value measurement that reflects the price at which an orderly transaction would take place between market participants on the measurement date.

Where certain debt securities are valued using broker quotes, adjustments may be required in limited circumstances. This is generally where it is determined that the third-party valuations obtained do not reflect fair value (eg either because the value is stale and/or the values are extremely diverse in range). These are usually securities which are distressed or that could be subject to a debt restructure, or where reliable market prices are no longer available due to an inactive market or market dislocation. In these instances, prices are derived using internal valuation techniques including those described below with the objective of arriving at a fair value measurement that reflects the price at which an orderly transaction would take place between market participants on the measurement date. The techniques used require a number of assumptions relating to variables such as credit risk and interest rates. Examples of such variables include an average credit spread based on the corporate bond universe and the relevant duration of the asset being valued. The input assumptions are determined based on the best available information at the measurement dates. Securities valued in such manner are classified as level 3 where these significant inputs are not based on observable market data.

Certain debt securities were valued by assessing the credit quality of the underlying borrower and allocating an internal credit rating which is unobservable. These debt securities are priced by taking the credit spreads on comparable quoted public debt securities and applying these to the equivalent debt securities, factoring in a specified liquidity premium. The selection of comparable quoted public debt securities used to determine the credit spread is based on a credit spread matrix that takes into account the internal credit rating, maturity and currency of the debt security.

The fair value estimates are made at a specific point in time, based upon any available market information and judgements about the financial instruments, including estimates of the timing and amount of expected future cash flows and the credit standing of counterparties. Such estimates do not reflect any premium or discount that could result from offering for sale at one time a significant volume of a particular financial instrument, nor do they consider the tax impact of the realisation of unrealised gains or losses from selling the financial instrument being fair valued. In some cases, the disclosed value cannot be realised in immediate settlement of the financial instrument. In accordance with the Group Risk Framework, the estimated fair value of derivative financial instruments valued internally using standard market practices are subject to assessment against external counterparties' valuations.

The Group's investment properties are valued by professionally qualified external valuers, in accordance with the RICS valuation standards which also reflect considerations within the RICS Guidance Note "Sustainability and ESG in commercial property valuation and strategic advice". An income capitalisation technique is predominantly applied, which calculates the value through the yield and rental value depending on factors such as the lease length, building quality, covenants and location. Typically the variables used by the external valuers in the valuation are compared to recent transactions with similar features to those being valued, and effectively represent proxies for a range of factors which includes climate risk. For example, the trend is towards greener buildings achieving better rents and yields than comparable buildings, all other factors being equal.

As at 31 December 2024, M&G plc held £36,273m (2023: £37,484m), PAC held £33,241m (2023: £32,894m) and PPL held £24m (2023: £16m) of assets, net of liabilities, which were internally valued using the valuations methods described above.

Internal valuations are inherently more subjective than external valuations. These internally valued net assets and liabilities primarily consist of the following items:

- Investment properties of £8,568m (2023: £9,794m) for M&G plc and £5,729m (2023: £6,214m) for PAC as at 31 December 2024, that are valued by professionally qualified external valuers using the RICS valuation standards. Fair value losses on property are mostly in relation to the downturn in UK and European property markets, driven by the rise in yields and increase in cost of living.
- Debt securities of £6,598m as at 31 December 2024 (2023: £7,212m) for M&G plc, £6,594m (2023: £7,202m) for PAC and £4m (2023: £10m) for PPL, which were either valued using discounted cash flow models with an internally developed discount rate, or using other valuation methodologies including enterprise valuation and estimated recovery.
- Equity securities and pooled investment funds with a value of £19,226m (2023: £18,403m) for M&G plc, £19,206m (2023: £17,640m) for PAC, and £20m (2023: £6m) for PPL. These investments predominantly comprise interests in partnerships, venture capital funds and

D Valuation for solvency purposes (continued)

D.1 Valuation of assets (continued)

private equity funds as well as unlisted property investment vehicles. The majority of these investments are valued using net asset statements and are sensitive to the assessed net asset value.

- Loans and mortgages of £1,716m as at 31 December 2024 (2023: £1,864m) for M&G plc, and £1,560m (2023: £1,647m) for PAC. Of this amount £952m (2023: £928m), and a corresponding liability of £221m (2023: £239m) for both M&G plc and PAC relate to equity release mortgages which were valued internally using discounted cash flow models and a variation of the Black-Scholes closed form formula for the valuation of the cost of the No Negative Equity Guarantee. The inputs that are most significant to the valuation of these loans are the discount rate, the current property value, the assumed future property growth and the assumed future annual property rental yields. The discount rate is internally derived and makes use of market information on rates being quoted for new equity release mortgages.
- M&G plc and PAC have a £151m (2023: £191m) holding in an investment fund that invests in a portfolio of buy-to-let mortgages and other loans financed largely by external third party (non-recourse) borrowings. PAC's and therefore M&G plc's exposure to this portfolio is limited to the investments held by the With-Profits Fund, rather than to the individual loans and borrowings themselves. The most significant non-observable inputs to the mortgage fair value are the level of future defaults and prepayments by the mortgage holders.

The majority of the assets which are valued based on inputs which are not market observable relate to assets held within the With-Profits Fund. As such, potential variations in the valuations arising from the use of non-observable inputs do not materially impact Solvency II surplus. Consideration of the valuation uncertainty associated with the use of alternative methods of valuation is provided in Section D.4.

The impact of the potential outcomes of the UK government's consultation on residential ground rents has been reflected in the valuation of ground rent assets included in debt securities above, which are valued in line with the IFRS measurement basis. As noted in the Draft Leasehold and Commonhold Reform Bill included in the King's Speech on 17 July 2024, potential future legislative change may result in a reduction in the cash flows that can be generated from these assets, although the eventual outcome is still uncertain.

Furthermore, there is ongoing legislative and legal uncertainty around the abolition of marriage values (the linking of ground rents to increase in property values). These uncertainties have been captured in the valuation through the application of probability weightings to plausible scenarios relevant to the issue and during the period credit ratings of certain senior notes have been downgraded. The range of the credit ratings of the portfolio ranges between A+ and BBB (2023: A+ and A). In addition, an incremental illiquidity spread of 0.30% (2023: 0.60%) above the comparable spread implied by the rating to reflect the compensation that a market participant would require at reporting date due to the uncertainty in future values. The reduction on the illiquidity premium reflects the impact of the uncertainty partly captured already through the probability weighting and the ratings downgrade.

D.1.2 Valuation of assets under Solvency II compared with statutory balance sheet

This section describes the main areas of difference between the Solvency II and statutory accounts asset values. Further details of the IFRS valuation approaches are described in the M&G plc 2024 Annual Report and Accounts, with details of the UK GAAP valuation approaches outlined in PAC and PPL's 2024 financial statements.

To ensure comparisons are on a like-for-like basis, any statutory accounts amounts quoted in this section are shown after allowing for presentational changes noted in Figures 44 to 46, to align them with the amounts reported under the Solvency II balance sheet headings. As such the statutory accounts amounts may differ from that disclosed in the financial statements discussed above.

D.1.2.1 Goodwill and other intangible assets

M&G plc

Goodwill and other intangible assets are held on M&G plc's IFRS consolidated statement of financial position only.

Goodwill arises when the Group acquires a business and the consideration paid exceeds the fair value of the net assets acquired. The majority of the goodwill on the M&G plc consolidated statement of financial position relates to the acquisition of M&G Group Limited.

For IFRS purposes, goodwill arising on acquisitions of subsidiaries and businesses is capitalised and carried on the consolidated statement of financial position at initial value less any accumulated impairment losses. Under Solvency II goodwill is valued at nil.

Under IFRS, intangible assets acquired through business combinations are measured at fair value on acquisition. Separately acquired intangible assets, such as licenses and software, are valued initially at the price paid to acquire them. Intangible assets are subsequently carried at cost less amortisation and any accumulated impairment losses. Under Solvency II, intangible assets are valued at nil.

D.1.2.2 Deferred acquisition costs

M&G plc, PAC

For IFRS and UK GAAP, various incremental directly attributable acquisition costs incurred relating to new insurance and / or investment contracts are capitalised and recognised as an asset (deferred acquisition costs). The asset is amortised in line with related revenue or the emergence of projected margins, and recoverability is reviewed at each reporting date, and the carrying value written down to the recoverable amount if required.

Under Solvency II, deferred acquisition costs are valued at nil.

D.1.2.3 Deferred tax assets

M&G plc, PAC

The principles of IAS 12 are applied to calculate deferred tax assets (DTA). The general principle is that a DTA is recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deductible temporary differences give rise to amounts that are deductible in

D Valuation for solvency purposes (continued)

D.1 Valuation of assets (continued)

determining taxable profit/loss of future periods when the carrying amount of the asset or liability is recovered or settled. DTAs are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period.

Temporary differences are calculated based upon the differences between the values given to assets and liabilities for tax purposes and their carrying values in the Solvency II balance sheet. Changes in the valuation of underlying assets or liabilities may give rise to a change in deferred tax balances. Differences between the value of DTA and deferred tax liabilities (DTL) on a statutory basis compared to that under Solvency II principally arise as a result of valuation changes relating to the technical provisions' best estimate liabilities (BEL).

DTAs are offset against DTLs where appropriate.

D.1.2.4 Pension benefit surplus

M&G plc, PAC

M&G plc's pension benefit surplus/(deficit) is £44m (2023: £16m) under Solvency II and £(213)m (2023: £(275)m) under IFRS.

PAC's pension benefit surplus is £42m (2023: £13m) for both Solvency II and UK GAAP. There is no pension benefit surplus in PPL as it does not have any obligations in respect of defined benefit pension schemes.

Pension benefit surplus (or deficit) is described further in Section D.3.1.2.

D.1.2.5 Investments, deposits, cash and cash equivalents

M&G plc, PAC, PPL

'Investments, deposits, cash and cash equivalents' comprise the following asset classes as included in the Solvency II balance sheet:

Figure 47: Investments on the Solvency II balance sheet

	As at 31 December					
	M&G plc		PAC		PPL[2]	
	2024[1]	2023[1]	2024[1]	2023[1]	2024[1]	2023[1]
	£m	£m	£m	£m	£m	£m
Property (other than for own use)	8,351	9,560	5,685	6,354	—	—
Equities	9,129	9,563	9,089	9,518	—	—
Collective Investments Undertakings	6,859	8,725	6,355	7,815	—	—
Bonds	44,606	45,070	44,475	44,932	27	16
Derivatives	806	1,403	806	1,403	—	
Deposits other than cash equivalents	776	749	600	581	60	53
Cash and cash equivalents	1,316	1,418	849	715	19	4
Total	**71,843**	**76,488**	**67,859**	**71,317**	**106**	**73**

1. As per Figures 44 to 46, there are no valuation differences between Solvency II and statutory basis for 'investments, deposits, cash and cash equivalents'.

2. PPL figures exclude reinsurance recoverable 2024 : £1,066m (2023 : £1,681m).

All of these categories of investments are valued at fair value for both Solvency II and on a statutory basis, as described in Section D.1.1 which provides details on the fair value methodology.

D.1.2.6 Holdings in related undertakings including participations

M&G plc

The PRA Rulebook defines a 'participation' as the ownership, direct or by way of control, of 20% or more of the voting rights or capital of an undertaking. Undertakings will also be treated as participations where significant influence is effectively exercised by the parent. Where control exists, a participation is treated as a subsidiary, where significant influence exists without control a participation is treated as an associate or joint venture. These approaches are applied consistently under Solvency II and the statutory accounts basis.

All amounts presented in the 'Holdings in related undertakings, including participations' line of the Solvency II balance sheet exclude intra-group balances and principally comprise:

(a) The contribution of M&G plc's regulated OFS entities (e.g. MGG) and other non-regulated OFS entities (e.g. PruCap). The valuation of the individual assets and liabilities of these entities is determined using the sectoral rules where these are regulated, and notional sectoral rules where these are non-regulated. For M&G plc the overall contribution is presented within the single line 'Holdings in related undertakings, including participations' in the Solvency II balance sheet but are consolidated line-by-line on a statutory basis.

(b) The values of OEICs, unit trusts and other investment funds meeting the definition of a participation under Solvency II. PAC, and therefore M&G plc, invests in OEICs and unit trusts, which invest mainly in equity, bonds, cash and cash equivalents, properties, investment funds and deposits other than cash equivalents. Where M&G plc is deemed to control these entities under IFRS 10, these entities are treated as subsidiaries and consolidated in the IFRS consolidated financial statements. On PAC's statutory balance sheet the investments in the OEICs and unit trusts are shown as participations. For solvency purposes, M&G plc's interests in these entities is

D Valuation for solvency purposes (continued)

D.1 Valuation of assets (continued)

treated the same as PAC's, valued on a Solvency II basis, and presented as a single line within 'Holdings in related undertakings, including participations'.

The value of related undertakings as at 31 December 2024 shown in the Solvency II balance sheet was £64,132m (2023: £61,423m) which is £197m higher (2023: £209m higher) than the equivalent contribution of these undertakings to IFRS shareholders' equity. This difference arises from the reversal of the adjustment required under IFRS to eliminate the reimbursement asset following the buy-in of the M&G Group Pension Scheme in 2023 (as set out in section D.3.1.2), and in respect of sectoral entities where the amount recognised under Solvency II is £66m lower (2023: £91m lower) than the contribution to IFRS shareholders' equity, reflecting restrictions under sectoral rules, offset by variances as a result of differences in IFRS and Solvency II fund valuation methodology.

PAC

Under Solvency II rules the adjusted equity method is applied to all investments in subsidiary undertakings. The adjusted equity method is based on the excess of assets over liabilities for each subsidiary, with the subsidiaries' individual assets and liabilities valued in accordance with the Solvency II rules as enacted in the UK.

Included within the value of participations is the impact of transitional measures, as applicable to participations which are insurance undertakings.

The value of related undertakings at 31 December 2024 shown in the Solvency II balance sheet was £65,737m (2023: £63,741m) which is £60,861m higher (2023: £59,113m higher) than the equivalent contribution of these undertakings to UK GAAP shareholders' equity. This difference is mainly presentational with £61,546m arising from the collective investment in undertakings where PAC's holdings exceed 20%, which are classified as participations under Solvency II, but as Investments in UK GAAP. A further £744m relates to assets held by the index-linked funds, which are presented together in a single line on the UK GAAP statutory accounts balance sheet rather than within each individual asset/liability category.

The residual valuation differences arise from OEICs, unit trusts and other investment funds reflecting differences in the valuation of the underlying assets, and that a fair valuation under Solvency II may entail a premium or discount to the underlying net asset value.

D.1.2.7 Assets held for index-linked and unit-linked contracts

M&G plc, PAC, PPL

These assets are held to cover linked liabilities where the policyholders bear the investment risk of the assets.

M&G plc

Assets held for index-linked and unit-linked contracts are presented differently under IFRS and Solvency II. Under IFRS, a line-by-line consolidation of the underlying funds is performed, and these are reported within the appropriate line of the consolidated statement of financial position. In Solvency II these assets (net of any liabilities) are recorded in aggregate as a single line entry on the balance sheet. There is also a presentational difference in relation to reinsurance of investment contracts without discretionary participation features, where amounts due from reinsurers are reported as reinsurance recoverables under Solvency II but are deposit-accounted and reported in 'equity securities and pooled investment funds' under IFRS.

Differences in the valuation methodology applied to the underlying assets and non-insurance liabilities of the linked business under IFRS and Solvency II (as described in the Notes to Figure 44 above) result in a nil difference at 31 December 2024 (2023: nil difference).

PAC

Under UK GAAP these assets are recorded in aggregate as a single line entry on the balance sheet similar to Solvency II. The individual assets and non-insurance liabilities of the linked business are valued in accordance with the Solvency II principles set out in this section. The difference between UK GAAP and Solvency II relates to the different definitions of index-linked between the two bases. For Solvency II reporting, business is only classified as index-linked where the policyholder bears the risk and not where risks are borne by the shareholder. For UK GAAP all index-linked business is classified as index-linked business, irrespective of the sharing of risks. There is also a difference in relation to investment contracts without discretionary participation features, where amounts due from reinsurers are reported as reinsurance under Solvency II but as assets held to cover linked liabilities under UK GAAP.

After allowing for these presentational differences, there is no difference in the value of the underlying assets and non-insurance liabilities of the linked business under UK GAAP and Solvency II.

PPL

Under UK GAAP these assets are recorded in aggregate as a single line entry on the balance sheet similar to Solvency II. The individual assets and non-insurance liabilities of the linked business are valued in accordance with the Solvency II principles set out in this section. The difference is in relation to investment contracts without discretionary participation features, where amounts due from reinsurers are reported as reinsurance under Solvency II but as investments under UK GAAP.

After allowing for these presentational differences, there is no difference in the value of the underlying assets and non-insurance liabilities of the linked business under UK GAAP and Solvency II.

D.1.2.8 Loans and mortgages

M&G plc, PAC, PPL

Loans and mortgages include interests in residential and commercial mortgage portfolios, the Group's loans to individuals (e.g. policy loans) and other loans, as well as reverse repurchase agreements.

D Valuation for solvency purposes (continued)

D.1 Valuation of assets (continued)

Under IFRS and UK GAAP these loans, including reverse repurchase agreements, are measured at fair value through profit or loss.

Under Solvency II, all loans and mortgages are fair valued. Loans and mortgages are not actively traded, and the valuation is therefore determined by discounting the cash flows expected to be received. Section D.1.1(d) provides further detail on the approach, for those loans and mortgages where the valuation relies upon inputs that are not based on observable market data.

D.1.2.9 Other assets

M&G plc, PAC, PPL

Other assets comprise the following asset classes as included in the Solvency II balance sheet (the table below shows the values after presentational adjustments):

Figure 48: Other assets on the Solvency II balance sheet

	As at 31 December 2024						As at 31 December 2023					
	M&G plc		PAC		PPL		M&G plc		PAC		PPL	
	Solvency II £m	IFRS £m	Solvency II £m	UK GAAP £m	Solvency II £m	UK GAAP £m	Solvency II £m	IFRS £m	Solvency II £m	UK GAAP £m	Solvency II £m	UK GAAP £m
Property, plant & equipment held for own use	**217**	**192**	**—**	**—**	**—**	**—**	234	205	2	—	—	—
Insurance and intermediaries receivables	**48**	**48**	**44**	**44**	**—**	**—**	37	37	27	27	—	—
Reinsurance receivables	**90**	**90**	**85**	**85**	**—**	**—**	29	29	21	21	—	—
Receivables (trade, not insurance)	**670**	**710**	**1,479**	**1,490**	**4**	**14**	676	712	1,389	1,389	25	25
Total of 'Other assets'	**1,025**	**1,040**	**1,608**	**1,619**	**4**	**14**	**976**	**984**	**1,439**	**1,437**	**25**	**25**

The other assets in the Solvency II balance sheet are measured at fair value determined using alternative valuation methods that are market consistent and represents the realisable value of individual assets on transfer to a third party. Valuation differences relative to the statutory balance sheet arise in relation to 'Property, plant and equipment held for own use', which reflects the fair value of 'right-of-use' assets under Solvency II which is discussed further below. There are also differences between the Solvency II and statutory accounts valuation of trade receivables.

D.1.2.10 Leasing (Right of use assets)

M&G plc

Under IFRS, where M&G plc acts as a lessee, it recognises a 'right of use' asset and a corresponding lease liability, representing the obligation to make lease payments at the lease commencement date. The Group applies the cost model to the right of use assets, except for those that meet the definition of an investment property, to which the fair value model is applied. The asset is initially measured at cost which comprises the amount of the lease liability, and lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of the costs related to the dilapidation of the asset that would be incurred, less any lease incentives received. Subsequently, the asset is depreciated using the straight-line method from the commencement date to the earlier of (i) the end of the right of use asset's useful life and (ii) the end of the lease term.

M&G plc's approach for measuring the fair value of the right of use assets under Solvency II is based on a revised present value of future lease liability payments rather than the depreciated IFRS asset value. The discount rate used for the lease asset is set to be consistent with the rate used for the lease liability. The corresponding lease liability is described in Section D.3.1.8, and further information on the Group's leasing arrangements is described in Section A.4.2.

'Property, plant & equipment held for own use' includes £137m as at 31 December 2024 (2023: £147m) in relation to right of use assets that do not meet the definition of investment property, and primarily related to operating leases over land and buildings utilised as office space.

PAC

Under UK GAAP where PAC is a lessee, it recognises a provision for costs associated with occupying the building, but does not recognise a 'right of use' asset. Therefore an adjustment is made under Solvency II to recognise right of use assets.

PPL

PPL does not have any 'right of use' assets.

D Valuation for solvency purposes (continued)

D.2 Technical provisions

To the extent these disclosures relate to the risk margin, TMTP and/or the SCR, they are not subject to audit and have not been audited.

D.2.1 Overview of Solvency II technical provisions

M&G plc, PAC, PPL

As a general principle, technical provisions are valued at the amount for which they could theoretically be transferred to a third party in an arm's length transaction. The technical provisions consist of the BEL and the risk margin, reduced by the TMTP where relevant.

D.2.1.1 BEL

The BEL corresponds to the probability-weighted average of future cash flows, taking account of the time value of money (i.e. the expected present value of future cash flows), using the risk-free interest rate term structure published by the PRA with allowance for a matching adjustment where relevant. The calculation of the BEL is based upon up-to-date and credible information and realistic assumptions (derived from data analysis and expert judgement) and is performed using appropriate actuarial and statistical methods. The cash flow projections used in the calculation of the BEL take account of all the cash inflows and outflows required to settle the insurance obligations over their lifetime. The cash flows included in the BEL calculation are derived after applying Solvency II contract boundary rules, which determine whether future premiums can be recognised as part of the in-force business. The BEL is calculated before deduction of the amounts recoverable from reinsurance contracts. Those amounts are calculated and presented separately.

The valuation methods and assumptions are described in more detail in Sections D.2.2 to D.2.4.

D.2.1.2 Risk margin (unaudited)

The risk margin is calculated in line with Solvency II requirements, and aims to ensure that the total technical provisions are equivalent to the cost of ceding the insurance obligations to a third party. The calculation assumes a 4% per annum cost of capital and applies to non-hedgeable risks only, with no diversification between the risks in different legal entities. Non-hedgeable risks are considered to be non-market risks and residual market risks, i.e. market risks that are unavoidable and cannot be hedged.

This calculation includes simplified methods and requires assumptions as to the run-off profile of non-hedgeable capital requirements for each material line of business, rather than a full projection of solvency capital requirements. The SCR for each non-hedgeable risk is assumed to run-off in-line with suitable profiles which differ depending on the types of non-hedgeable risks. The SCR each year is aggregated using a simplified correlation matrix. The interest rate used to discount the cost of capital in each future year is the risk-free rate specified by the regulator, but excluding any volatility adjustment or matching adjustment. The methodology includes a risk-tapering approach such that the weighting applied to the projected cashflows reduces over time where the weighting factor is subject to a floor. The risk margin is partially offset by the TMTP.

The technical provisions for M&G plc are shown on a consolidated basis, eliminating intra-group transactions. M&G plc risk margin and TMTP are calculated as the sum of the amounts from the individual legal entities; however for local solo reporting, PIA is regulated by the Central Bank of Ireland and uses the standard formula approach and following the recent Solvency II reforms in the UK uses a different risk margin basis. This results in a different valuation of PIA on a solo basis and when consolidated in the Group.

D.2.1.3 Technical provisions by line of business

The below tables set out technical provisions by Solvency II line of business. The key differences in technical provisions between Solvency II and the statutory accounts are not fully aligned between M&G plc and PAC / PPL following the adoption of IFRS 17 by M&G plc, while PAC and PPL continue to report on a UK GAAP basis. In particular, the allowances for uncertainty in the valuation of liabilities, the inclusion of the Contractual Service Margin under IFRS 17, and the treatment of the surplus in the with-profits fund are different under IFRS 17 and UK GAAP. Full details are provided in the commentary beneath the tables.

M&G plc

Figure 49: M&G plc - Value of technical provisions

	As at 31 December						
	2024					2023	
	Solvency II BEL	Solvency II Risk margin	Solvency II TMTP	Solvency II Total[1]	IFRS Total[2]	Solvency II Total	IFRS Total
Solvency II Line of business	£m	£m	£m	£m	£m	£m	£m
Insurance with-profit participation	**106,750**	**240**	**(162)**	**106,828**	118,532	106,390	118,172
Index-linked and unit-linked insurance	**14,866**	**22**	**(6)**	**14,882**	13,973	15,652	14,660
Life Annuities[3]	**16,606**	**343**	**(190)**	**16,759**	19,782	17,970	20,646
Other Life and Health[3]	**659**	**119**	**(53)**	**725**	387	739	429
Non-life business[4]	—	—	—	—	—	64	65
Total	**138,881**	**724**	**(411)**	**139,194**	**152,674**	140,815	153,972

1. Solvency II technical provisions are as reported in template IR.02.01.02.

2. IFRS liabilities as reported in the consolidated financial statements include a further £951m (2023: £1,054m) in respect of the liability for incurred claims. Under Solvency II they are included in insurance and intermediary payables.

3. There is a new Life annuities line of business previously included in the Other life insurance line of business category in template IR.12.01.02 contained in the Appendix.

4. A modification to the PRA Rulebook requirement to report non-life reporting templates privately to the PRA and publicly in the SFCR was applied for and approved in 2024. As such non-Life business has been excluded from the 31 December 2024 submission.

D Valuation for solvency purposes (continued)

D.2 Technical provisions (continued)

The main differences in technical provisions between the IFRS financial statements and Solvency II are set out below:

(a) The allowance for a risk margin and TMTP under Solvency II, and the allowance for a contractual service margin and risk adjustment under IFRS 17:

- An explicit risk margin of £724m (2023: £826m) is held under Solvency II. The amount is partially offset by the TMTP which smooths the impact of moving from the previous Solvency I regime. The calculation of the TMTP is updated to reflect the impact of the Solvency II reforms. See section D.2.4.1 for further details. The TMTP is required to be fully run off by 2032. The TMTP has been recalculated as at 31 December 2024, and reduces the Group's technical provisions by £411m (2023: £509m).
- Under IFRS 17, a contractual service margin (CSM) and risk adjustment for non-financial risk are held. The CSM represents unearned profit on insurance contracts and investment contracts with discretionary participation features, which will be released over the life of the contract in line with the provision of service. The total CSM at 31 December 2024 was £6,486m. The risk adjustment is calculated based on the 75th percentile of the Group's one-year risk distributions and amounted to £617m at 31 December 2024. For further details on the CSM and risk adjustment please refer to Note 1 of the 2024 M&G plc Annual Report and Accounts.

(b) Insurance with-profit valuation differences:

- Under IFRS 17 a liability, which is separate to the liabilities for the in-force with-profits contracts (in accordance with paragraph B71 of IFRS 17), is held in the With-Profits Fund; there is no equivalent in the Solvency II balance sheet. The B71 liability net of an estimate of the effect of mutualisation amounted to £7,959m at 31 December 2024.
- The Solvency II technical provisions allow for the tax payable on shareholder transfers of £1,020m (2023: £903m). See section D.2.3.1 for further details. This is capitalised and reduces the IFRS 17 best estimate liabilities, and is included in the CSM where it will be released to profit as services are provided.

(c) The method of calculation and the assumptions used to value liabilities differ between Solvency II and IFRS. The main differences are:

- Economic assumptions, in particular the discount rate for annuity and with-profit business, differ between Solvency II and IFRS, resulting in a £386m increase in liabilities under Solvency II. In particular, the IFRS 17 discount rate includes an illiquidity premium, which is not included in the Solvency II discount rate for with-profits business. For non-profit annuity business, the discount rate is slightly lower under Solvency II as the IFRS 17 illiquidity premium is higher than the Solvency II Matching Adjustment.

PAC

Figure 50: PAC - Value of technical provisions

	As at 31 December						
	2024					2023	
	Solvency II BEL	Solvency II Risk margin	Solvency II TMTP	Solvency II Total [1]	UK GAAP Total	Solvency II Total	UK GAAP Total
Solvency II Line of business	£m	£m	£m	£m	£m	£m	£m
Insurance with-profit participation [3]	**106,969**	**213**	**(162)**	**107,020**	**119,964**	106,584	119,864
Index-linked and unit-linked insurance	**10,701**	**13**	**(6)**	**10,707**	**10,773**	10,954	11,142
Life annuities [2, 3]	**16,606**	**343**	**(190)**	**16,759**	**17,385**	17,970	18,710
Other life insurance	**749**	**115**	**(53)**	**812**	**737**	820	764
Health insurance	**(5)**	**—**	**—**	**(5)**	**(5)**	(7)	(7)
Non-life business[4]	—	—	—	—	—	64	64
Total	**135,020**	**684**	**(411)**	**135,293**	**148,854**	136,386	150,539

1. Solvency II technical provisions are as reported in template IR.12.01.02.
2. There is a new Life annuities line of business previously included in the Other life insurance line of business category in template IR.12.01.02 contained in the Appendix.
3. Accepted life reinsurance BEL is no longer shown as a separate line of business in line with the change in design of the Technical Provision reporting template. See IR.12.01.02.contained in the Appendix.
4. A modification to the PRA Rulebook requirement to report non-life reporting templates privately to the PRA and publicly in the SFCR was applied for and approved in 2024. As such non-Life business has been excluded from the 31 December 2024 submission.

The main differences in technical provisions between the UK GAAP financial statements and Solvency II are:

(a) The UK GAAP liabilities do not include an explicit risk margin as the allowance for risk is included within the assumptions. An explicit risk margin of £684m (2023: £784m) is held under Solvency II. The amount is partially offset by the TMTP which smooths the impact of moving from the previous Solvency I regime. The calculation of the TMTP has been updated to reflect the impact of the Solvency II

D Valuation for solvency purposes (continued)

D.2 Technical provisions (continued)

reforms. See Section D.2.4.1 for further details.The TMTP has been recalculated as at 31 December 2024, and reduces PAC's technical provisions by £411m (2023: £509m).

(b) Insurance with-profit participation differences:

- The Fund for Future Appropriations represents the excess of the fund's assets over policyholder liabilities that are yet to be apportioned between policyholders and shareholders. Under UK GAAP, the Fund for Future Appropriations of £14,732m (2023: £14,927m) is recorded as a liability, whilst there is no equivalent in the Solvency II balance sheet.
- In contrast, the Solvency II technical provisions allow for future enhancements to asset shares in respect of miscellaneous surplus, including on non-profit annuity business, of £726m (2023: £738m) and for the tax payable on shareholder transfers of £1,020m (2023: £903m). For miscellaneous surplus, the impact under UK GAAP is offset by a change in the present value of future profits.

(c) The method of calculation and the assumptions used to value non-profit liabilities (primarily shown in the 'Life annuities' row in Figure 50), differ between Solvency II and UK GAAP. The main differences are:

- The value of the excess of future charges over expenses on unit-linked investment contracts, allowing for contract boundaries, are recognised under Solvency II but not under UK GAAP resulting in £69m (2023: £65m) lower liabilities under Solvency II.
- Non-economic assumptions generally contain margins for risk and uncertainty under UK GAAP (or additional reserves are held) compared to the best estimate assumptions applied under Solvency II, resulting in £1,083m (2023: £1,196m) lower liabilities under Solvency II.
- Economic assumptions, including the discount rate, differ between Solvency II and UK GAAP, resulting in a £283m (2023: £247m) increase in liabilities under Solvency II.

(d) The UK GAAP insurance contract liabilities include £932m (2023: £942m) of outstanding claims which are shown as Insurance and intermediary payables under Solvency II.

PPL

Figure 51: PPL - Value of technical provisions

	As at 31 December						
	2024					2023	
Solvency II Line of business	Solvency II BEL £m	Solvency II Risk margin £m	Solvency II TMTP £m	Solvency II Total £m	UK GAAP Total £m	Solvency II Total £m	UK GAAP Total £m
Index-linked and unit-linked insurance [1]	**7,261**	**4**	**—**	**7,265**	**7,273**	7,738	7,744
Life annuities and Other life insurance	**26**	**—**	**—**	**26**	**26**	30	29
Total	**7,287**	**4**	**—**	**7,291**	**7,299**	7,768	7,773

1. Accepted life reinsurance BEL is no longer shown as a separate line of business in line with the change in design of the Technical Provision reporting template. See IR.12.01.02.contained in the Appendix.

The main differences in technical provisions between the UK GAAP financial statements and Solvency II are:

(a) The UK GAAP liabilities do not include an explicit risk margin as the allowance for risk is included within the assumptions. An explicit risk margin of £4m (2023: £4m) is held under Solvency II. The calculation of the TMTP has been updated to reflect the impact of the Solvency II reforms. See Section D.2.4.1 for further details. The TMTP has been recalculated as at 31 December 2024 and PPL's TMTP remains at zero.

(b) The method of calculation and the assumptions used to value non-profit liabilities differ between Solvency II and UK GAAP. The main differences are:

- The value of the excess of future charges over expenses on unit-linked investment contracts are recognised, allowing for contract boundaries, under Solvency II but not under UK GAAP resulting in £12m (2023: £10m) lower liabilities under Solvency II;
- Non-economic assumptions generally contain margins for risk and uncertainty under UK GAAP (or additional reserves are held) compared to the best estimate assumptions applied under Solvency II.

D.2.1.4 Reinsurance recoverables

The Group primarily uses reinsurance to manage underwriting risk exposure, particularly in respect of longevity risk. On both a statutory accounts and a Solvency II basis, the full expected cost of claims is included within the technical provisions and the corresponding reinsurance recoverables are shown as an asset.

The following table shows the reinsurance recoverables (net of intra-group transactions) compared to the statutory accounts value.

D Valuation for solvency purposes (continued)

D.2 Technical provisions (continued)

Figure 52: Value of reinsurance recoverables

	As at 31 December					
	M&G plc		PAC		PPL	
	2024	2023	2024	2023	2024	2023
Reinsurance recoverables[1]	£m	£m	£m	£m	£m	£m
Index-linked and unit-linked insurance	**1,180**	1,786	**5,368**	5,229	**1,040**	1,651
Life Annuities	**54**	182	**54**	182	**26**	30
Other[2]	**254**	342	**255**	342	**—**	—
Total Solvency II	**1,488**	2,310	**5,677**	5,753	**1,066**	1,681
Total statutory accounts	**1,043**	1,099	**6,269**	6,192	**26**	29
Difference	**(445)**	(1,211)	**592**	439	**(1,040)**	(1,652)

1. The lines of business include direct business and accepted reinsurance.

2. Includes with-profit participation, other life insurance and health insurance and for YE23 only non-life business. A modification to the PRA Rulebook requirement to report non-life reporting templates privately to the PRA and publicly in the SFCR was applied for and approved in 2024. As such non-Life business has been excluded from the 31 December 2024 submission.

The valuation methods and assumptions for reinsurance recoverables are consistent with the methods and assumptions for the corresponding technical provisions. The value of the reinsurance recoverable asset is the Group's best estimate of future reinsurance cash flows, where this figure allows for the probability of partial or total default by the reinsurer. In accordance with the Solvency II regulations, a simplified approach to calculating the counterparty default adjustment has been adopted. In certain cases, for example longevity swaps, the value of the reinsurance recoverable can be negative.

For Value Share reinsurance cashflows, payments made to or received from the reinsurer are dependent on the relationship between the assets backing the BPA liabilities and the value of the liabilities determined in accordance with a specified basis. These cash flows are estimated by projecting the assets and liabilities and comparing their values on the calculation dates prescribed in the reinsurance contract. The assumed investment return on the assets reflects the yield on the portfolio of assets that backs the Value Share BPA liabilities adjusted for credit risk (fundamental spreads). The discount rate for the amounts recoverable are in line with the Solvency II regulatory requirements.

The majority of the difference between Solvency II and IFRS values for reinsurance recoverables for M&G plc relates to presentational differences. Under IFRS, reinsurance arrangements that do not transfer significant underwriting risk are deposit-accounted and reported in equity securities and pooled investment funds contributing £879m (2023: £1,448m) to the difference in Figure 52 above.

The majority of the difference between Solvency II and UK GAAP values for reinsurance recoverables for PAC and PPL relate to differences in the valuation approach, including the reclassification of the reinsurers' share of investment contracts liabilities without discretionary participation features. For the purposes of the financial statements, PAC and PPL apply deposit accounting for investment contracts without discretionary participation features (as defined under UK GAAP) and accordingly present the reinsured liabilities within 'investments', contributing £83m (2023: £83m) to the difference for PAC and £1,040m (2023: £1,652m) to the difference for PPL.

The remaining difference between Solvency II and UK GAAP values for reinsurance recoverables for PAC of £675m (2023: £522m) arises from other presentational and valuation differences. Reinsurance arrangements that are in a liability position are shown in other liabilities in UK GAAP and claims outstanding are included in other assets for Solvency II. Valuation differences are mainly from longevity and yield basis differences between Solvency II and UK GAAP.

The most significant Solvency II reinsurance recoverable of £760m (2023: £1,431m) for the Group relates to PPL's reinsurance arrangement with BlackRock reported within 'index-linked and unit-linked insurance' in the table above. The proportion reinsured under the BlackRock treaty has reduced over 2024.

D.2.2 Solvency II Technical Provisions methodology and assumptions

Further details of the methodology and assumptions used for each material line of business are discussed below. The methods chosen for each line of business are proportionate to the nature, scale and complexity of the underlying risks.

The key assumptions required in the valuation of technical provisions are:

- Economic assumptions, most of which are published by the PRA and set by reference to market data at the valuation date;
- Non-economic assumptions, used to derive non-market related BEL cash flows (for example future claims and expenses); and
- Assumptions in respect of dynamic management actions and policyholder behaviour.

D.2.2.1 Economic assumptions

The principal economic assumption is the risk-free interest rate term structure. The risk-free curves at which BEL cash flows are discounted are specified by the PRA. The PRA transitioned the GBP Solvency II risk-free rates from referencing LIBOR swap rates to referencing Overnight Indexed Swap rates on 31 July 2021. These curves are based on market swap rates adjusted for credit risk, where relevant. The resulting 10-year risk-free spot rates for the material currencies are given below:

D Valuation for solvency purposes (continued)

D.2 Technical provisions (continued)

Figure 53: 10 year risk-free rates

	As at 31 December	
Currency	2024	2023
British pound	**4.07 %**	3.28 %
Euro	**2.27 %**	2.39 %
United States Dollar	**4.07 %**	3.45 %

For most non-profit annuity business, a matching adjustment is applied to the risk-free curve to discount the BEL cash flows (see Section D.2.4.3). In line with Solvency II requirements, the matching adjustment is not applied when calculating the risk margin. The net matching adjustment for the shareholder non-profit annuities as at 31 December 2024 was 142 basis points (bps) per annum (2023: 166bps). The equivalent net matching adjustment for the non-profit annuities in the With-Profits Fund as at 31 December 2024 was 145bps per annum (2023: 172bps). The matching adjustment does not apply to reinsurance.

D.2.2.2 Non-economic assumptions

Persistency, mortality, expense and option take-up assumptions are derived from analysis of recent historical experience data, and also reflect expected future experience. Where relevant and material, allowance is also made for the way in which policyholder behaviour is expected to vary in line with economic conditions.

Assumptions are set at realistic, best-estimate levels. If experience varies from the assumptions the result would impact the available capital the Group holds to meet its obligations.

The table below summarises the range of lapse rate assumptions used as at 31 December 2024 and 31 December 2023. These exclude assumptions related to retirement rates for pension contracts, which may be as high as 100% at certain ages.

Figure 54: Lapse rate assumptions

	31 December 2024	31 December 2023
With-profits contracts	**0% - 30%**	0% - 30%
Unit-linked contracts	**0% - 16%**	0% - 16%
Annuities - shareholder-backed	**N/A**	N/A
Annuities - in the With-Profits Fund	**N/A**	N/A

The table below summarises the range of maintenance expense assumptions used as at 31 December 2024 and 31 December 2023, before allowance for future inflationary increases:

Figure 55: Maintenance expense assumptions (per policy)

	31 December 2024 £ p.a.	31 December 2023 £ p.a.
With-profits contracts	**8 - 199**	7 - 239
Unit-linked contracts	**44 - 186**	43 - 239
Annuities - shareholder-backed	**36 - 68**	35 - 57
Annuities - in the With-Profits Fund	**37**	36

1. For Prudential International Assurance plc, maintenance expenses assumptions are modelled as a percentage of assets under management and not included in the range for 31 December 2024. For 31 December 2024, the range was 0.12% - 0.13% of assets under management.

D.2.3 Details on methodology and assumptions by lines of business

D.2.3.1 Participating business

The key components of the BEL for participating business are asset shares, charges and expenses, and the net cost of guarantees. The BEL is, in most cases, calculated based on a retrospective calculation of accumulated asset shares, adjusted to reflect any future policy-related liabilities and other outgoings that cannot be charged to asset shares (for example, the excess of projected expenses over any fixed charges). Asset shares broadly reflect the policyholders' share of the participating fund assets attributable to their policies. For some business, a retrospective asset share calculation is not appropriate (for example, business where expected future benefit payments are not based on asset shares) and a prospective valuation approach is used, based on discounting expected future benefit and expense cash flows.

Asset shares methodology, principles and practices are detailed in the Principles and Practices of Financial Management (PPFM) document. This document is available online.

The key assumptions in determining the excess of projected expenses over charges are persistency, renewal expenses and investment management expenses.

Persistency assumptions, namely surrenders, transfers, retirements and paid-up rates, are based on average experience over the last three calendar years, supplemented by expert judgement from SMEs across the business to incorporate up to date views on the product propositions, the external market environment and any other factors that may mean that recent experience is not a good guide to likely long-term future experience. A similar approach is taken to setting the take-up rates associated with guaranteed options; the expert judgement applied also considers the nature of the guarantee and how a rational policyholder may behave.

The expense reserves are based on current year costs using a combination of actual and forecast expenses due to the timing of assumption setting. The renewal expenses are combined with the volume of in-force policies to produce per policy unit costs.

The per policy unit costs are inflated over the projected duration of the business using a combination of salary inflation and consumer price inflation, in addition an uplift is applied to reflect the additional costs expected to be incurred at a policy level as policy counts reduce in future and unit costs therefore increase as a proportion of the fixed expense base. The uplift is not applied to third party costs, which are fixed during the contract term and it is assumed that, at the end of the existing contract term, management would act to ensure that the business is administered at a materially equivalent cost.

Investment management expenses are expense cashflows in addition to renewal expenses and are held against the fees expected to be paid to asset managers on the assets backing technical provisions. All fees relating to the management of the funds backing the liabilities are identified and then expressed as a proportion of the liabilities.

The future policy related liabilities include a market-consistent stochastic valuation of the cost of all material guarantees, options and smoothing, less any related charges. Certain contracts written in the With-Profits Fund give potentially valuable guarantees to policyholders, or options to change policy benefits which can be exercised at the policyholders' discretion.

Most with-profits contracts give a guaranteed minimum payment on a specified date or range of dates or on death if before that date or dates. For most pensions products, the specified date is the policyholder's chosen retirement date or a range of dates around that date. For endowment contracts, guarantees apply at the maturity date of the contract. For with-profits bonds it is often a specified anniversary of commencement, in some cases with further dates thereafter.

The main types of options and guarantees offered for with-profits contracts are as follows:

- For conventional with-profits contracts, including endowment assurance contracts and whole of-life assurance contracts, payouts are guaranteed at the sum assured together with any declared regular bonus.
- Conventional with-profits deferred annuity contracts have a basic annuity per annum to which bonuses are added. At maturity, the cash claim value will reflect the current cost of providing the deferred annuity. Regular bonuses when added to with-profits contracts usually increase the guaranteed amount.
- For unitised with-profits contracts and cash accumulation contracts the guaranteed payout is the initial investment (adjusted for any withdrawals, where appropriate), less charges, plus any regular bonuses declared. If benefits are taken at a date other than when the guarantee applies, a market value reduction may be applied to reflect the difference between the accumulated value of the units and the market value of the underlying assets.
- For certain unitised with-profits contracts and cash accumulation contracts, policyholders have the option to defer their retirement date when they reach maturity, and the terminal bonus granted at that point is guaranteed.
- For with-profits annuity contracts, there is a guaranteed minimum annuity payment below which benefit payments cannot fall over the lifetime of the policies.
- Certain pensions products have guaranteed annuity options at retirement, where the policyholder has the option to take the benefit in the form of an annuity at a guaranteed conversion rate.

The stochastic projections allow for realistic management actions consistent with the operation of the participating funds. Examples of these management actions include:

- Dynamic functionalities to reflect the bonus and investment policy (to adjust the bonus rates and align the investment strategy to the strategic asset allocation respectively) that would be expected to be followed under certain economic conditions;
- Solvency-driven actions that are triggered when the solvency of the with-profits fund is under threat, which are to:
    - de-risk the investment strategy to mitigate the cost of guarantees, and
    - manage down claim values more rapidly to reduce smoothing costs.
- A fairness-driven action which is to act to better align claim values with asset shares where there is a material divergence, regardless of the solvency level of the fund.

During 2024 the modelling of the With-Profits Fund has been fully reviewed and updated. As part of the rebuild, changes have been made to the modelling of policyholder taxation within prospective investment returns; to the modelling of the discretionary bonuses credited to policyholders; and, reflective of the funds current solvency, the frequency of the modelled protective management actions which may be taken in extreme stress scenarios has been reduced. The impact is detailed in sections E1.4 and E2.3.

Under Solvency II, future discretionary benefits are defined as future benefits, other than index-linked or unit-linked benefits, which have one of the following characteristics;

a. the benefits are legally or contractually based on one or more of the following:

D Valuation for solvency purposes (continued)

D.2 Technical provisions (continued)

i. the performance of a specified group of contracts or a specified type of contract or single contract,

ii. the realised or unrealised investment return on a specified pool of assets held by the company,

iii. the profit or loss of the company corresponding to the contract.

b. the benefits are based on a declaration by the company and the amounts or the timing of the benefits is at its full or partial discretion.

Under this definition, future bonuses yet to be added (and not yet guaranteed) in relation to with-profits business are classified as 'future discretionary benefits'. In line with Solvency II requirements, future discretionary benefits (and hence technical provisions), exclude payments representing Surplus Funds as explicitly defined by the PRA (see section E.1.3).

Miscellaneous surplus has arisen from various sources in the With-Profits Fund, including the non-profit annuity business. As this surplus has arisen it has, in line with the Principles and Practices of Financial Management (PPFM), been allocated to with-profits policyholders. At the valuation date, some, but not all, of this surplus has been allocated to individual policyholders' asset shares. The liability to policyholders could therefore change in the future, but it has been assessed to persist in all but the most extreme adverse circumstances. Hence, the full value of the historic surpluses allocated to with-profits policyholders is included within the technical provisions and therefore excluded from the Company's Surplus Funds in accordance with the PRA's Surplus Funds 3. The amount included in BEL in respect of future enhancement to asset share in respect of miscellaneous surplus, including non-profit annuity business, at 31 December 2024 was £726m (2023: £738m).

Consistent with Solvency II requirements, the present value of future shareholder transfers is excluded from the BEL for the WPSF. The effect of shareholder transfers is captured through the ring-fenced fund restriction to Solvency II own funds. However, the liability in respect of the future tax payable on these shareholder transfers, which is charged to the estate, is included in the BEL. The tax obligation is crystallised when shareholder transfers, which depend on the declaration of policyholder bonuses, are paid. Therefore the tax payment is considered to be required in order to settle the insurance obligation, and as such is included within BEL. The amount included in BEL in respect of future tax payable on shareholder transfers at 31 December 2024 was £1,020m (2023: £903m).

Best estimate liabilities include an allowance for policyholder tax payments which are, or expected to be, charged to the BLAGAB (basic life and general annuity business) policyholders asset shares. The estimated policyholder tax is calculated using the BLAGAB proportion of the actual and projected investment returns net of expenses. The tax calculated, either by a charge to the asset shares or implicitly within the modelled cashflows, can be positive or negative as it is assumed that any losses can be offset against future profits.

In addition, an amount is held with respect to historical pensions mis-selling. The pensions mis-selling review covers customers who were sold personal pensions between 29 April 1988 and 30 June 1994, and who were advised to transfer out, not join, or opt out of their employer's Defined Benefit Pension Scheme. During the initial review some customers were issued with guarantees that redress will be calculated on retirement or transfer of their policies. The provision continues to cover these customers.

Whilst PAC believed it met the requirements of the Financial Services Authority (FSA) (the UK insurance regulator at the time) to issue offers of redress to all impacted customers by 30 June 2002, there is a population of customers who, whilst an attempt was made at the time, to invite them to participate in the review, may not have received their invitation. These customers are being re-engaged to ensure that they have the opportunity to take part in the review. The reserve also covers this population. As at 31 December 2024, the pension mis-selling review provision included within the BEL for M&G plc and PAC is £122m (2023: £140m) for the remaining population.

D.2.3.2 Non-profit annuity business

The BEL for non-profit annuity business is a discounted value of expected future annuity payments and associated expenses. The key assumptions relate to mortality rates, including expectations of future mortality improvements, expenses and the discount rate. The discount rate for most non-profit annuity business uses a matching adjustment and this is described within Section D.2.4.3.

Annuitant mortality (longevity) assumptions

Mortality assumptions for annuity business are set in light of recent population and internal experience, with an allowance for expected future mortality improvements. Given the long-term nature of annuity business, annuitant mortality remains a significant assumption in determining policyholder liabilities.

The assumptions used reference recent England & Wales population mortality data consistent with the CMI mortality improvements model, with specific risk factors applied on a per policy basis to reflect the features of the Group's portfolio.

An increase in mortality rates was observed over 2020 and 2021 due to the COVID-19 pandemic, however over 2022 and 2023 rates were observed to be more consistent with pre-pandemic levels. There remains significant uncertainty following the pandemic and the longer-term implications for mortality rates amongst the annuitant population will continue to be monitored by the Group.

For current mortality, the longevity model has been recalibrated to account for updated population data following the 2021 Census and to include mortality experience data from 2022 and 2023, whilst continuing to place zero weight on 2020 and 2021 data. This has resulted in a slight weakening of assumptions and a reduction in best estimate liabilities at 31 December 2024. The mortality improvements assumption was fully reviewed in 2022 following the COVID-19 pandemic and drivers which could impact future mortality have been continually monitored. Best-estimate assumptions have been updated for 2024 to reflect new data and information on the key drivers of changes in future mortality. This update results in lower levels of future improvements than the previous year and a reduction in best estimate liabilities. The 2024 mortality improvements assumption is expressed in terms of the CMI 2022 model, updated from the CMI 2021 used in 2023. Zero weight has been given to 2020 and 2021 experience, in line with the broader industry approach, however some allowance has been made for

D Valuation for solvency purposes (continued)

D.2 Technical provisions (continued)

2022 data (15% weight applied within the CMI model) as 2022 mortality is likely to be partially reflective of future mortality The mortality improvement assumptions used are summarised in the table below, with other assumptions reflecting the core CMI projection.

Figure 56: Mortality improvement assumptions

Period ended	Model version [1,2,3]	Long-term improvement rate	Smoothing parameter (Sk) [4]
31 December 2024	**CMI 2022**	**For males: 1.60% pa** **For females: 1.60% pa**	**For males: 7.25** **For females: 7.25**
31 December 2023	CMI 2021	For males: 1.60% pa For females: 1.60% pa	For males: 7.25 For females: 7.75

1. A parameter in the model to reflect socio-economic differences between the portfolio and population experience is also utilised. This adjusts initial mortality improvement rates, varying by age and gender. This is unchanged at all ages relative to 31 December 2023.

2. The tapering of improvements to zero is set to occur between ages 90-110 at 31 December 2024 which is unchanged from 31 December 2023.

3. Within the CMI 2022 model 15% weight is applied to 2022 data (CMI 2021 n/a).

4. The smoothing parameter controls the amount of smoothing by calendar year when determining the level of initial mortality improvements.

Expenses

The approach to setting expense assumptions for annuity business is the same as that detailed for participating business in section D.2.3.1.

D.2.3.3 Unit-linked business

The BEL for these contracts reflects both the value of policyholder unit funds and the non-unit liability. The non-unit liability can be negative, and reflects the discounted value of fee income from the unit funds less allowances for expenses and the cost of insurance benefits. Assumptions are also made for expected mortality and morbidity experience, as relevant, where the products include insurance riders (add-ons to the initial policy to provide additional insurance coverage), and also expected persistency. The key assumptions are renewal expenses and persistency; the methodology for setting these assumptions is the same as for participating business.

Contract boundaries are applied to pure unit-linked business, with such policies assumed to be paid-up with effect from the valuation date, and are valued using paid-up rather than premium-paying renewal expense assumptions. Other unit-linked contracts, with rider benefits attached, do not require contract boundaries to be applied prior to the maturity date as they provide insurance benefits and although premiums and charges can be amended, there are scenarios where the amount of benefits and expenses will exceed the premiums.

Some unit-linked business contains a financial guarantee. A simulation method (i.e. stochastic model) is used to determine the associated guarantee cost.

D.2.3.4 Other business

For 'other business' the BEL is calculated as the present value of expected future benefit payments and associated expenses less the value of expected future premium income. Assumptions are made for expected persistency and mortality/morbidity experience, as relevant, along with assumptions for expenses.

D.2.4 Long-term guarantee measures on technical provisions

D.2.4.1 Transitional measures (unaudited)

The Group's technical provisions as at 31 December 2024 include an allowance for TMTP, in accordance with the PRA Rulebook. The TMTP is unaudited. The impact of these transitional measures is to increase the Solvency II surplus of M&G plc and PAC by £161m (2023: £273m), with nil impact for PPL (2023: £0m).

On 28 February 2024 the PRA released Policy Statement (PS) 2/24 covering the reforms to the Transitional Measure on Technical Provisions calculation (TMTP) and updated Supervisory Statements and Statement of Policy. As a result of these reforms the TMTP has been recalculated as at 31 December 2024 in line with the approach taken at 31 December 2023, with no Financial Resources Requirement (FRR) restriction. From 1 January 2025 the new TMTP calculation methodology in PS2/24 will be introduced. The new TMTP calculation methodology is simpler, removing the need to recalculate liabilities under the previous Solvency I regime to calculate the TMTP. Other changes include the removal of recalculation triggers in relation to the TMTP; with permission to recalculate at any date.

The TMTP is considered high-quality capital and is a core part of the Solvency II reporting regime. The Group's regulated insurance undertakings, PAC and PPL, have received the necessary approvals from the PRA in respect of the TMTP. There is no TMTP for PIA.

The technical provisions as at 31 December 2024 and 31 December 2023 do not include a transitional measure on the risk-free interest rate term structure.

D.2.4.2 Volatility adjustment

The Group has not applied a volatility adjustment as at 31 December 2024 or 31 December 2023.

D.2.4.3 Matching adjustment

The matching adjustment referred to in the Solvency II regulations has been applied to most of the Group's non-profit annuities. An adjustment may be applied to the risk-free interest rate term structure if the conditions in the PRA Rulebook are met and approval has been obtained. The risk-free yield curve used to discount most of the Group's non-profit annuity liability cash flows is increased to include a matching adjustment, as approved by the PRA. The matching adjustment is calculated by reference to the credit spreads on the matching portfolio of assets, with allowance for cashflow mismatch and deductions for the "fundamental spread" (i.e. credit risk allowance) as published by the PRA with firm specific additions where necessary. With effect from year end 2024 firms are required to provide an attestation to the PRA in respect of the appropriateness of the MA and fundamental spread. This will be submitted on or before 8th April 2025, supported by an MA Attestation Report which explains the analysis behind the attestation statement, and an explanation of any FS additions. As part of the matching adjustment reforms introduced in 2024, the definition of assets eligible for the matching adjustment portfolio was expanded to include assets with 'highly predictable' cashflows. No assets are in the highly predicable category as at FY24.

Credit ratings are normally based on the second highest rating among external Credit Rating Agencies (CRAs) where available. If only one external rating is available for an asset, that rating is normally used. This approach allows for a balanced external credit view, recognising that the ratings assigned by CRAs can differ from one another. The "internal" ratings from M&G Group, assigned to virtually all of the fixed income assets that it manages, are set in line with their internal credit rating framework and are mainly used for PAC assets that are not publicly externally rated, such as private assets. Furthermore, the option exists for the internal rating to be used instead of the second highest external rating, where the internal rating has been deemed more prudent. Where assets that do not have an external rating are eligible for inclusion in the matching adjustment portfolio, they are assigned a fundamental spread in line with the Company's fundamental spread mapping policy, which considers the M&G Group rating of these assets. A validation process is in place to ensure M&G Group's ratings of such assets are CRA consistent and suitable adjustments made where this is not the case.

Separate portfolios of assets are held for the Group's With-Profits Fund-backed and shareholder-backed non-profit annuities (see D.2.2.1 for details of the matching adjustment). The matching adjustment is applied where the liabilities and the assets in the Matching Adjustment portfolios meet the eligibility criteria on an ongoing basis. The obligations held within the Matching Adjustment portfolios reflect both index-linked and non-linked, sterling denominated, individual and bulk-purchase annuities. The cashflows from assets allocated to cover the liabilities should closely match the expected liability cashflows. The assets held within the Matching Adjustment portfolios in respect of these obligations cover publicly traded; corporate bonds, index-linked and fixed government bonds, and supranationals, alongside private long-term investments including restructured Equity Release Mortgages. The derivation of the matching adjustment includes consideration of potential future legislative changes in respect of the loan assets backed by residential ground rents as described in Section D.1.1.

Equity release mortgages are not considered eligible for the matching adjustment due to the uncertainty in the timing of repayment of the mortgages. Some of these assets have therefore been restructured into assets eligible for the matching adjustment, both at the PAC and M&G plc Group consolidated level. A special purpose vehicle (SPV), Prudential Equity Release Mortgages (PERM), was set up and purchased equity release mortgages in exchange for tranches of fixed senior notes, with the residual balance of payments remaining as equity in a junior note. The senior notes are eligible for the matching adjustment and some are held inside the portfolio of assets backing shareholder-backed non-profit annuities. The junior note is not eligible for the matching adjustment.

The equity release mortgage assets that have been restructured in this way do not meet the IFRS de-recognition criteria and are therefore measured on the Solvency II balance sheet assuming that the internal securitisation has not occurred.

D.2.4.4 Impact of transitional measures and long-term guarantees

The impact of the TMTP, which is unaudited, and the matching adjustment on the Solvency II results as at 31 December 2024 are shown in the tables below:

D Valuation for solvency purposes (continued)

D.2 Technical provisions (continued)

M&G plc

Figure 57: M&G plc - Impact on Solvency II results of excluding TMTP and the MA

	As at 31 December							
	2024				2023			
	As per reporting templates £m	Impact of removing TMTP £m	Impact of removing MA £m	Total excluding TMTP and MA £m	As per reporting templates £m	Impact of removing TMTP £m	Impact of removing MA £m	Total excluding TMTP and MA £m
Technical Provisions	**139,194**	**411**	**1,708**	**141,313**	140,815	509	2,221	143,545
Basic Own Funds	**10,508**	**(122)**	**(568)**	**9,818**	10,357	(208)	(826)	9,323
Own Funds eligible to cover Group SCR	**11,653**	**(122)**	**(568)**	**10,963**	11,291	(241)	(793)	10,258
SCR	**6,945**	**38**	**2,552**	**9,535**	6,766	65	3,153	9,984
Solvency ratio (regulatory view)	**168%**	**(3)%**	**(50)%**	**115%**	167%	(5)%	(59)%	103%
Own Funds eligible to cover Group MCR	**7,795**	**(159)**	**(768)**	**6,868**	7,069	(270)	(1,059)	5,740
MCR	**1,609**	**10**	**637**	**2,256**	1,556	16	788	2,360

PAC

Figure 58: PAC - Impact on Solvency II results of excluding TMTP and the MA

	As at 31 December							
	2024				2023			
	As per reporting templates £m	Impact of removing TMTP £m	Impact of removing MA £m	Total excluding TMTP and MA £m	As per reporting templates £m	Impact of removing TMTP £m	Impact of removing MA £m	Total excluding TMTP and MA £m
Technical Provisions	**135,293**	**411**	**1,708**	**137,412**	136,386	509	2,221	139,116
Basic Own Funds	**9,699**	**(122)**	**(568)**	**9,009**	9,214	(208)	(826)	8,180
Own Funds eligible to cover SCR	**9,699**	**(122)**	**(568)**	**9,009**	9,214	(208)	(826)	8,180
SCR	**6,192**	**38**	**2,564**	**8,794**	5,969	65	3,153	9,187
Solvency Ratio	**157%**	**(3)%**	**(51)%**	**102%**	154%	(5)%	(60)%	89%
Own Funds eligible to cover MCR	**9,298**	**(161)**	**(894)**	**8,243**	8,827	(273)	(1,216)	7,338
MCR	**1,548**	**10**	**641**	**2,199**	1,492	16	788	2,296

PPL

Figure 59: PPL - Impact on Solvency II results of excluding TMTP and the MA

	As at 31 December							
	2024				2023			
	As per reporting templates £m	Impact of removing TMTP[2] £m	Impact of removing MA[1] £m	Total excluding TMTP and MA £m	As per reporting templates £m	Impact of removing TMTP[2] £m	Impact of removing MA[1] £m	Total excluding TMTP and MA £m
Technical Provisions	**7,291**	**—**	**—**	**7,291**	7,768	—	—	7,768
Basic Own Funds	**84**	**—**	**—**	**84**	78	—	—	78
Own Funds eligible to cover SCR	**84**	**—**	**—**	**84**	78	—	—	78
SCR	**27**	**—**	**—**	**27**	29	—	—	29
Solvency Ratio	**315%**	**—**	**—**	**315%**	267%	—%	—	267%
Own Funds eligible to cover MCR	**84**	**—**	**—**	**84**	78	—	—	78
MCR	**12**	**—**	**—**	**12**	13	—	—	13

1. PPL has not applied a matching adjustment as at 31 December 2024 and 31 December 2023

2. PPL's TMTP is zero as at 31 December 2023 and 31 December 2024.

D.2.5 Assumption changes

Changes to the assumptions used to calculate the Group's technical provisions as at 31 December 2024 are set out below:

– Changes to the matching adjustment allowance to reflect the asset mix and market conditions as at 31 December 2024. This includes revisions to credit ratings over the year.

D Valuation for solvency purposes (continued)

D.2 Technical provisions (continued)

- Changes to update the mortality assumptions; for both annuitant longevity and non-annuitant mortality allowance has been made for post-pandemic experience data. For current mortality the longevity model has also been recalibrated to account for updated population data following the 2021 Census. Best-estimate mortality improvement assumptions for annuitants have been updated to reflect new data and information on the key drivers of changes in future mortality and to reflect the next version of the CMI model;
- Changes to renewal expense assumptions to reflect current year costs;
- Changes to investment expense assumptions to reflect changes in fees and asset allocations for assets backing with-profits business;
- Changes to persistency assumptions to reflect the results of the most recent experience investigation; and
- Market-driven changes to economic parameters, including changes to risk-free rates as shown in Section D.2.2.1.

The impact of demographic and expense assumption changes on Group shareholder, PAC shareholder, and PPL technical provisions (net of reinsurance recoverables and including the present value of shareholder transfers) at 31 December 2024 and 31 December 2023 is set out below.

For M&G plc and PAC the impact of updating longevity assumptions were the most material of these changes.

For PPL the impact of assumption changes is not material.

Figure 60: Impact of assumption changes - Group / PAC shareholder

	31 December 2024	31 December 2023
Assumption change [1]	£m	£m
Longevity	151	10
Expense	(21)	(21)
Persistency	3	27
Other	1	—
Total	**134**	**16**

Figure 61: Impact of assumption changes - PPL

	31 December 2024	31 December 2023
Assumption change [1]	£m	£m
Longevity	—	—
Expense	4	(1)
Persistency	—	(2)
Other	—	—
Total	**4**	**(3)**

1. The 2023 comparatives include presentational changes relative to last year's report.

D.2.6 Level of uncertainty

The valuation of technical provisions relies upon the Group's best estimate of future liability cash flows, including the projection of the future level of the solvency capital requirement in the calculation of the risk margin. These cash flows are derived using best estimate assumptions, which are set using a combination of experience data, market data and expert judgement.

Uncertainty exists in the technical provisions as to whether the actual future cash flows will match those expected under the Group's best estimate assumptions. Over time, experience may differ from the best estimate assumptions or the Group's forward-looking expectations may evolve, such that assumptions will be updated with a consequent change in the value of future technical provisions.

The best estimate assumptions include assumptions about future economic conditions, for example interest rates and expense inflation levels; and assumptions about future non-economic experience, for example, longevity, mortality and policyholder behaviour. Assumptions are also made about future management actions.

Each assumption is set at the Group's best estimate of future experience and approved by the PAC Board Audit Committee (on behalf of both PAC and PPL) and the Group Audit Committee. However, each assumption is by its very nature assumed and so the actual future experience is not certain.

D Valuation for solvency purposes (continued)

D.3 Valuation of other liabilities

D.3.1 Valuation bases under Solvency II compared to IFRS/UK GAAP

The valuation basis of material classes of other liabilities are described below. The categories reflect the Solvency II descriptions. The statutory accounts amounts allow for presentational changes noted in Figure 44 to allow a like-for-like comparison to the equivalent amounts under Solvency II.

D.3.1.1 Provisions other than technical provisions

Provisions other than technical provisions include provisions in respect of the Poland Underpin, New Business Supportability Test, Transformation Underpin, staff benefits, restructuring and shareholder transfer hedging. These are described below and the same value is used on a statutory and Solvency II basis.

IAS 37 Provisions

Poland Underpin

PAC's With-Profits Sub-Fund Inherited Estate funded the establishment of the Polish branch in 2012. Within the original agreement it was estimated that the Inherited Estate would recoup its share of development costs and any expense over-runs within 12 years of the inception of the Polish branch, from development recovery charges levied solely on the asset shares of Polish branch policyholders. However, in the event the value of development recovery charges recouped is insufficient to cover these costs then at the 12th anniversary, or point of closure of the Polish branch if earlier, the PAC shareholder fund would meet the shortfall. For the purposes of the valuation a provision was therefore established in both the Solvency II balance sheet and the capital requirement to cover the expected level of this shareholder contribution.

The underpin agreement was revised in 2022 to extend the expiry date to 31 December 2031 together with additional stipulations to introduce a cap on the value and to prohibit any further extensions.

The liability in the shareholder fund is accounted for as a provision under IAS 37 and is valued £61m at 31 December 2024 (2023: £62m) . The Solvency II provision is consistent with the statutory accounts provision. IAS 37 also allows for a reimbursement asset to be recognised when it is virtually certain that the reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. Whilst it is not virtually certain that the shareholder will have an obligation to settle, it is considered certain that if the shareholder does settle, the With-Profits Sub-Fund fund will receive the payment and so a reimbursement asset should be recognised on the With-Profits Sub Fund balance sheet. The reimbursement asset, consistent with the statutory accounts, is set equivalent to the IAS37 provision under Solvency II. As these are intra-PAC balances, the provision and the reimbursement asset are netted off and eliminated.

The accounting treatment differs between M&G plc and PAC, which report under IFRS 17 and UK GAAP respectively. Under UK GAAP (in respect of PAC), the elimination results in a net liability equivalent to the provision amount in the Fund for Future Appropriations. Under IFRS 17 (in respect of M&G plc) this results in a net liability to current and future with-profits policyholders equivalent to 90% of the reimbursement asset.

Under Solvency II, the impact arises through an increase in the ring-fenced fund restriction (and so a reduction in Own Funds) equivalent to 100% of the value of the reimbursement asset.

New Business Supportability Test

FCA regulations require that a firm does not write new business in a with-profits fund unless it is reasonably satisfied, and can demonstrate, that doing so is likely to have no adverse effect on existing with-profits policyholders. The New Business Supportability Test (NBST) ensures that new business written in the With-Profits Fund is financially self-supporting or, in the event charges are not sufficient to cover costs, shareholders will make an appropriate contribution to the With-Profits Fund. The costs taken into account in the NBST include the cost to the With-Profits Fund of paying the associated shareholder transfers.

As part of the annual Business Planning process, a forecast of the NBST is assessed to check whether the new business expected to be written over the current business year is expected to be financially self-supporting. If it is not expected to be self-supporting a provision is established under IAS 37 and the treatment under IFRS, UK GAAP, and Solvency II, including the reimbursement asset, is in line with that set out for the Poland Underpin. A final assessment of the NBST for the year is carried out once sales and expenses are finalised to confirm whether a shareholder contribution is required. The shareholder provision for 2024 new business is £14m (2023: £17m).

Transformation Underpin

An agreement was reached with the With-Profits Fund to contribute towards transformation programme costs and any attaching interest. The With-Profits Fund will be compensated by applying a transformation cost loading (TCL) on new business until 2027. If the With-Profits Fund has yet to fully recover the initial transformation costs by 2027, various management actions are available to address any such shortfall, including the option to apply the loading for a further five years with the consent of the With-Profits Fund. If, following this or any other agreed management action, the costs have not been fully recovered the shareholder will compensate the estate.

For the purposes of valuing the transformation costs underpin obligation as at 31 December 2024 the underpin has been revised to reflect up-to-date forecast sales and economic conditions. The TCL is no longer projected to be sufficient to meet the costs with a shortfall arising at the end of 2032 which the shareholders will need to fund, resulting in a liability of £16m (2023: £7m liability).

The treatment under Solvency II, UK GAAP, and IFRS 17 is aligned to the treatment described for the Poland Underpin.

D Valuation for solvency purposes (continued)

D.3 Valuation of other liabilities (continued)

Other

Staff benefits
Staff benefits apply to M&G plc only and primarily relate to performance related bonuses estimated for the current year to be paid out in future years.

Restructuring
The restructuring provisions as at 31 December 2023 were in relation to transformation costs.

Hedges in respect of shareholder transfers arising from the with-profits business

PruFund Swap Transaction
In 2023, PAC's shareholder fund entered into an arrangement with the With-Profits Fund in relation to the shareholder transfers expected to emerge from PruFund business written to 31 December 2022. The shareholder fund accepted a one-off cash payment in lieu of 20% of future shareholder transfers. This arrangement is mutually beneficial since it generates certainty and cash for the shareholder while reducing the With-Profits Fund exposure to a potential mismatch between the value of the shareholder transfers and the fixed charges taken to cover those transfers. In addition, under the arrangement the shareholder paid the With-Profits Fund for a higher share of future surplus from certain cohorts of business. For the year ended 31 December 2024 this arrangement resulted in a net shareholder loss of £53m (2023: shareholder surplus benefit of £109m).

D.3.1.2 Pension benefit obligations

M&G plc, PAC

i) Background
The Group operates three defined benefit pension schemes. The largest defined benefit scheme as at 31 December 2024 is the Prudential Staff Pension Scheme (PSPS), which accounts for 83% (2023: 83%) of the present value of the underlying defined benefit pension liabilities.

The Group also operates two smaller defined benefit pension schemes that were originally established by the MGG (M&G GPS) and Scottish Amicable (SASPS) businesses prior to their acquisition. In September 2023, M&G GPS Trustees executed a buy-in transaction with PAC covering all deferred and pensioner member liabilities. Active members were given the option to transfer to the defined benefit section of PSPS and a majority chose this option. Details of the accounting treatment are set out in Note 17 of the 2024 M&G plc Annual Report and Accounts.

As at 31 December 2024, any surplus or deficit in the Schemes are apportioned as follows:

- The surplus of PSPS arising in respect of active members transferred from the M&G GPS is attributable to M&G FA. The remainder of PSPS is attributable 70% to the With-Profits Fund in PAC and 30% to the Group's shareholders via the subsidiary M&G Corporate Services Limited (70% to PAC).
- SASPS is attributable 40% to the PAC With-Profits Fund, and 60% to PAC's shareholder fund and therefore the Group's shareholders (100% to PAC).
- M&GGPS is 100% attributable to the Group's shareholders (0% to PAC).

These proportions may change in future years.

PPL does not have any obligations in respect of defined benefit pension schemes.

ii) Valuation and approach
The table below provides an overview of the statutory accounts surplus or deficit under each scheme, which are consistent with the values recognised in the Solvency II base balance sheet.

Figure 62: Valuations of pension schemes

	As at 31 December							
	M&G plc				PAC			
	2024		2023		2024		2023	
	Solvency II	IFRS	Solvency II	IFRS	Solvency II	UK GAAP	Solvency II	UK GAAP
	£m	£m	£m	£m	£m	£m	£m	£m
PSPS	6	7	9	12	4	4	7	7
SASPS	38	38	7	7	38	38	6	6
M&GGPS	—	(258)	—	(294)				
Total	**44**	**(213)**	**16**	**(275)**	**42**	**42**	**13**	**13**

On a statutory accounts basis pension benefit obligations for defined benefit schemes are valued using the relevant valuation rules. A surplus can only be recognised to the extent that it can be accessed either through an unconditional right of refund or through reduced future contributions relating to ongoing service of active members.

Neither M&G plc nor PAC has an unconditional right of refund to any surplus in PSPS. Accordingly, PSPS's net economic surplus is restricted up to the present value of the economic benefit, which is calculated as the difference between the full future cost of service for active members and the estimated future ongoing contributions. In contrast, PAC and therefore M&G plc is able to access the surplus of SASPS through an unconditional right of refund. Similarly M&G plc is able to access the surplus in M&GGPS through an unconditional right of refund.

D Valuation for solvency purposes (continued)

D.3 Valuation of other liabilities (continued)

Therefore, the surplus resulting from the schemes (if any) would be recognised in full. As at 31 December 2024, the PSPS and SASPS schemes are in surplus based on the statutory accounts valuation. M&G GPS is in surplus on an economic basis but, following the elimination of the reimbursement right asset on Group consolidation, as explained below, the scheme is in deficit.

As a result of the buy-in transaction in 2023, the relevant plan assets of M&G GPS transferred were replaced with a single line insurance policy reimbursement right asset which is eliminated on consolidation under IFRS. The value of this insurance policy at 31 December 2024 was £261 million.

The M&GGPS surplus is attributable to MGG, which is consolidated based on its sectoral rules. Under these rules, the scheme's surplus, which exists on a standalone MGG basis, is derecognised and therefore not included in the value of MGG shown in Section D.1.2.6. Equivalently, following the transfer of active members to PSPS, the portion of PSPS attributable to MGG is derecognised.

Overall this means that there is no elimination on Group consolidation under Solvency II in respect of the buy-in. The assets, technical provisions, and SCR that arise in PAC in respect of the bulk annuity contract contribute to both PAC and Group solvency. As no surplus is recognised in MGG under Solvency II, no elimination is required.

As a result of the derecognition of surplus under MGG's sectoral rules, the Solvency II balance sheet values for the PSPS and M&G GPS schemes differ from the statutory accounts carrying values. The Solvency II balance sheet value of the SASPS schemes is set equal to the statutory accounts carrying value.

On a statutory basis, insurance policies issued by a related party do not qualify as plan assets and are shown separately from the statutory position. As at 31 December 2024, M&GGPS has investments of £10m in insurance policies issued by PPL through which it invests in certain pooled funds. These are excluded from the statutory valuation shown above. Therefore, following the elimination of these insurance policies and the elimination in respect of the buy-in, M&G GPS is in deficit on a statutory basis in the Group's IFRS consolidated statement of financial position as at 31 December 2024.

In June 2023, the UK High Court passed a judgment in the Virgin Media Limited v NTL Pension Trustees II Limited case which stated that certain historical amendments in respect of contracted-out defined benefit schemes in the period from 6 April 1997 to 5 April 2016 would be invalid if not accompanied at the time by a relevant actuarial confirmation. The judgment was subject to an appeal in July 2024 where the Court of Appeal upheld the decision of the High Court and concluded that the initial judgment applied to amendments to both future and past service.

The Group has undertaken an impact assessment which includes the review of available historical records and relevant enquiries. Based on the Group's assessment, no adjustments are expected to be required to the defined benefit obligations of the Group's pension schemes in respect of the case as at the reporting date. The Group will continue to monitor developments in relation to the matter.

iii) Methodology and assumptions

On a statutory basis the valuation prescribes market-based assumptions for the valuation of assets and liabilities. Within the market-based framework, the discount rate for liabilities should be based on high quality corporate bonds (interpreted as corporate bonds with a credit rating of AA).

The actuarial assumptions used in determining the defined benefit obligations were as follows:

Figure 63: Pension scheme actuarial economic assumptions

	As at 31 December					
	2024			2023		
	PSPS	SASPS	M&GGPS	PSPS	SASPS	M&GGPS
Discount rate[1]	**5.4%**	**5.5%**	**5.5%**	4.6%	4.6%	4.6%
Salary inflation[2]	**3.5%**	**3.2%**	**N/A**	3.4%	3.2%	N/A
Retail Prices Index (RPI)	**3.1%**	**3.0%**	**2.9%**	3.0%	2.9%	2.9%
Consumer Prices Index (CPI)	**2.8%**	**2.7%**	**2.7%**	2.7%	2.7%	2.7%
Rate of increase of pensions in payment for inflation[3]						
CPI (maximum 5%)[4]	**2.8%**	**N/A**	**N/A**	2.8%	N/A	N/A
CPI (maximum 2.5%)[4]	**2.5%**	**N/A**	**N/A**	2.5%	N/A	N/A
Discretionary[4]	**2.8%**	**N/A**	**N/A**	2.9%	N/A	N/A
RPI (maximum 5%)	**N/A**	**3.0%**	**2.9%**	N/A	2.9%	2.9%
RPI (maximum 2.5%)	**N/A**	**2.5%**	**2.5%**	N/A	2.5%	2.5%

1. The discount rate has been determined by reference to an 'AA' corporate bond index. A full yield curve is used in the valuation; an equivalent single point assumption is shown to facilitate comparison period on period.

2. Due to scheme changes during 2019, a cap to future pensionable salary increase came into effect and, as a result, salary growth inflation is only applied for certain levels of pensionable salary which represent a very small proportion of the total liability.

3. The rate of inflation used reflects the long-term assumption for UK RPI or CPI, depending on the particular tranche of scheme benefits, with caps and floors applied in accordance with the scheme rules. Similarly to the discount rate, a full inflation curve is used in the valuation with a single point estimate shown in the table for comparative purposes.

D Valuation for solvency purposes (continued)

D.3 Valuation of other liabilities (continued)

4. Certain tranches of scheme benefits within PSPS have statutory pension increases in line with the higher of CPI up to a maximum level, or a discretionary level determined by the employer. Other tranches are not guaranteed and determined by the employer on a discretionary basis.

Post retirement mortality

The calculation of the defined benefit obligation for the Group's schemes requires assumptions to be set for both current mortality and the allowance for future mortality improvements. The table below sets out the mortality tables and mortality improvement model used for the Group's schemes, along with the associated life expectancies.

Figure 64: Pension scheme post retirement mortality assumptions

As at 31 December	Scheme	Mortality improvements model[1]	Expectation of life from retirement at aged 60: Male currently aged 60	Male currently aged 40	Female currently aged 60	Female currently aged 40
2024	**PSPS**	**CMI 2022**	**26.3**	**28.6**	**27.9**	**30.2**
	SASPS	**CMI 2022**	**27.2**	**28.9**	**28.9**	**30.7**
	M&GGPS	**CMI 2022**	**28.1**	**30.2**	**29.9**	**31.9**
2023	PSPS	CMI 2021	26.5	28.6	28.3	30.3
	SASPS	CMI 2021	27.4	29.4	29.9	31.8
	M&GGPS	CMI 2021	28.5	30.6	30.4	32.4

1. The mortality assumptions are adjusted to make allowance for future improvements in longevity. As at 31 December 2024, this allowance was based on the CMI 2022 mortality improvements model, with a long-term improvement rate of 1.60% per annum for males (smoothing parameter (Sk) = 7.25 and A parameter varies by age) and 1.60% per annum for females (Sk = 7.25 and A parameter varies by age) (2023: this allowance was based on the CMI 2021 mortality improvements model, with a long-term improvement rate of 1.60% per annum for males (Sk = 7.25 and A parameter varies by age) and 1.60% per annum for females (Sk = 7.75). The weighting parameter has been set at 15% at 31 December 2024. This parameter does not apply to the CMI 2021 model used at 31 December 2023.

Further information on the assumptions used in the valuation, and the sensitivity of the valuation to those assumptions, can be found in Note 17 of the M&G plc 2024 Annual Report and Accounts.

iv) Significant changes in the schemes during 2024

There were no significant changes to the schemes in 2024.

v) Underlying investments of the schemes

The assets of each scheme, including the underlying assets represented by the investments in Group insurance policies, as at 31 December 2024 comprise the following investments:

M&G plc

Figure 65: M&G plc - Scheme assets

	As at 31 December: 2024 PSPS £m	2024 Other £m	2024 Total £m	2024 %	2023 Total £m
Equities:					
UK	**26**	**—**	**26**	**1%**	29
Overseas	**13**	**38**	**51**	**1%**	47
Bonds:					
Government	**2,824**	**423**	**3,247**	**67%**	3,683
Corporate	**1,037**	**2**	**1,039**	**22%**	1,148
Asset-backed securities	**332**	**81**	**413**	**9%**	425
Other assets					
Derivatives[1]	**(689)**	**(128)**	**(817)**	**(17)%**	(728)
Properties	**233**	**119**	**352**	**7%**	356
Other assets	**258**	**2**	**260**	**5%**	250
Reimbursement right asset	**—**	**261**	**261**	**5%**	298
Total value of assets	**4,034**	**798**	**4,832**	**100%**	**5,508**

1. Included within derivatives is a £64m liability in respect of a longevity swap transaction with Pacific Life Re Limited (2023: £3m).

D Valuation for solvency purposes (continued)

D.3 Valuation of other liabilities (continued)

PAC

Figure 66: PAC - Scheme assets

	As at 31 December				
	2024				2023
	PSPS	SASPS	Total		Total
	£m	£m	£m	%	£m
Equities:					
UK	**26**	**—**	**26**	**1**	29
Overseas	**13**	**38**	**51**	**1**	47
Bonds:					
Government	**2,824**	**425**	**3,249**	**71**	3,682
Corporate	**1,037**	**—**	**1,037**	**23**	1,145
Asset-backed securities	**332**	**82**	**414**	**9**	425
Derivatives[1]	**(689)**	**(129)**	**(818)**	**(18)**	(728)
Properties	**233**	**120**	**353**	**8**	356
Other assets	**258**	**(9)**	**249**	**5**	238
Total value of assets	**4,034**	**527**	**4,561**	**100**	**5,194**

1. See notes below Figure 65.

D.3.1.3 Deferred Tax Liabilities

M&G plc, PAC, PPL

On an IFRS basis a deferred tax liability (DTL) is recognised for all taxable temporary differences unless it falls within a limited number of exemptions. Taxable temporary differences give rise to taxable amounts in determining taxable profit/loss of future periods when the carrying amount of the asset or liability is recovered or settled. DTLs are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period.

Temporary differences are calculated based upon the differences between the values given to assets and liabilities for tax purposes and their carrying values in the Solvency II balance sheet.

The M&G plc DTL, net of DTA, as at 31 December 2024 had a Solvency II value of £39m (2023: £7m) and an IFRS value of £218m (2023: £239m), principally relating to unrealised gains on investments. Tax on these gains will mainly fall due when the underlying assets are sold.

The PAC DTA, net of DTL, as at 31 December 2024 had a Solvency II value of £8m (2023: £42m) and a UK GAAP value of £38m (2023: £91m). The movement in the value between 2023 and 2024 is primarily due to a increase in the DTL on unrealised gain on investment assets as a result of appreciations in value of the underlying assets.

PPL reported deferred tax liabilities of £2m under Solvency II (nil under UK GAAP) at 31 December 2024.

Further information on deferred tax valuation differences is provided in Section D.1.2.3 above, under the heading 'Deferred tax assets'.

D.3.1.4 Derivative Liabilities

M&G plc, PAC

Derivative liabilities are valued at fair value on a statutory accounts basis. They are valued using quoted prices if exchange listed. Otherwise they are valued using quotations from third parties or valued internally using the discounted cash flow method in line with standard market consistent valuation techniques, subject to independent assessment against external counterparties' valuations.

D.3.1.5 Financial liabilities other than debts owed to credit institutions

M&G plc, PAC

Financial liabilities other than debts owed to credit institutions primarily relate to loans. These liabilities are fair valued on the Solvency II balance sheet using alternative valuation methods as described in Section D.1.1 and are at cost on a statutory accounts basis, with the following differences between the values for each entity. The statutory accounts show a higher value than under Solvency II.

– M&G plc: £32m (2023: £29m)

– PAC: £0m (2023: £2m)

D.3.1.6 Other liabilities - overview

M&G plc, PAC, PPL

The tables below show the composition of the Solvency II 'other liabilities' shown in Figure 44 and Figure 45.

D Valuation for solvency purposes (continued)

D.3 Valuation of other liabilities (continued)

M&G plc

Figure 67: M&G plc - Other liabilities

	As at 31 December					
	2024			2023		
	Solvency II	IFRS[1]	Valuation difference	Solvency II	IFRS[1]	Valuation difference
	£m	£m	£m	£m	£m	£m
Debts owed to credit institutions	**1,096**	**1,096**	**—**	1,193	1,193	—
Deposits from reinsurers	**105**	**105**	**—**	112	112	—
Insurance & intermediaries payables	**1,131**	**1,131**	**—**	1,098	1,098	—
Payables (trade, not insurance)	**2,672**	**2,661**	**11**	4,264	4,253	11
Reinsurance payables	**26**	**26**	**—**	47	47	—
Subordinated liabilities	**2,486**	**3,209**	**(723)**	3,063	3,718	(655)
Total of 'Other liabilities'	**7,516**	**8,228**	**(712)**	**9,777**	**10,421**	**(644)**

1. The IFRS figures are shown after the presentational changes shown in Figure 44 to align them with the Solvency II liability headings.

Other liabilities typically relate to contractual obligations where the amounts are known. With the exception of subordinated liabilities, these items have the same valuation under Solvency II as on the statutory basis and are measured at fair value determined using alternative valuation methods that are market consistent and represent the value to settle the liabilities with the third party.

The major component of debt and financial liabilities owed to credit institutions are over-the-counter derivatives and obligations under securities lending.

Note that deposits from reinsurers are included within insurance contract liabilities under IFRS 17 but are presented as deposit liabilities under Solvency II. A presentational adjustment has been carried out to reallocate these amounts from insurance liabilities under IFRS to Solvency II deposit liabilities, resulting in nil valuation difference.

Payables includes lease liabilities of £425m (2023: £387m) which are described in more detail in Section D.3.1.8.

Subordinated liabilities are described below.

PAC

Figure 68: PAC - Other liabilities

	As at 31 December					
	2024			2023		
	Solvency II	UK GAAP[1]	Valuation difference	Solvency II	UK GAAP	Valuation difference
	£m	£m	£m	£m	£m	£m
Insurance & intermediaries payables	**1,023**	**1,023**	**—**	978	902	76
Payables (trade, not insurance)	**3,154**	**3,188**	**(34)**	4,615	4,941	(326)
Reinsurance payables	**45**	**45**	**—**	62	62	—
Other liabilities	**105**	**102**	**3**	112	183	(71)
Total of 'Other liabilities'	**4,327**	**4,358**	**(31)**	**5,767**	**6,088**	**(321)**

1. The UK GAAP figures are shown after the presentational changes shown in Figure 45 to align them with the Solvency II liability headings.

PPL

Other liabilities include reinsurance payables, payables (trade, not insurance), and other liabilities not shown elsewhere. There are no material valuation differences between the 2024 Solvency II position and the 2024 financial statements in respect of other liabilities.

D.3.1.7 Subordinated liabilities

M&G plc

M&G plc's subordinated liabilities consist of subordinated notes which were transferred from Prudential plc on 18 October 2019. The transfer of the subordinated liabilities was achieved by substituting M&G plc in place of Prudential plc as issuer of the debt, as permitted under the terms and conditions of each applicable instrument.

Subordinated notes issued by M&G plc rank below its senior obligations and ahead of its preference shares (if these were issued) and ordinary share capital.

These debts are liabilities in the Solvency II balance sheet, but are treated as capital in Solvency II own funds because the terms of the debt allow the payments to be deferred or waived under certain conditions (see Section E.1.3 for further details of the notes and their Solvency II own funds treatment).

D Valuation for solvency purposes (continued)

D.3 Valuation of other liabilities (continued)

Debt liabilities are initially recognised at fair value in both IFRS and Solvency II. They are subsequently measured at amortised cost using the effective interest rate method on the IFRS consolidated statement of financial position but continue to be measured at fair value on the Solvency II balance sheet.

M&G plc's Solvency II valuation approach allows for changes in fair values due to changes in interest and exchange rates but does not take into account changes after initial recognition in M&G plc's own credit standing, as measured by credit spreads.

The principal repayable under the notes, and the Solvency II and IFRS values, are shown in the table below.

Figure 69: Subordinated debt instruments

		As at 31 December					
		2024			2023		
	Principal amount	Solvency II value £m	IFRS value inc accrued interest £m	IFRS value £m	Solvency II value £m	IFRS value inc accrued interest £m	IFRS value £m
5.625% sterling fixed rate due 20 October 2051	£750m	**697**	**830**	**823**	721	839	831
6.25% sterling fixed rate due 20 October 2068	£500m	**409**	**606**	**600**	446	608	602
6.50% US dollar fixed rate due 20 October 2048	$500m	**404**	**439**	**433**	404	440	434
6.34% sterling fixed rate due 19 December 2063	£700m	**587**	**838**	**836**	635	842	841
5.56% sterling fixed rate due 20 July 2055	£439m	**389**	**496**	**484**	558	682	667
3.875% sterling fixed rate due 20 July 2049	£300m	**—**	**—**	**—**	299	306	301
Total subordinated liabilities		**2,486**	**3,209**	**3,175**	**3,063**	**3,717**	**3,676**

On 19 June 2024 the Group completed a repurchase of £161m of 5.56% sterling fixed rate subordinated notes for a consideration of £150m. On 20 July 2024, the Group redeemed, at par, all £300m 3.875% sterling fixed rate subordinated loan notes. These notes were issued 10 July 2019 with a maturity date of 20 July 2049.

The value shown in the IFRS consolidated statement of financial position excludes accrued interest (which is presented in a separate row). To provide a like-for-like comparison to the Solvency II presentation, the IFRS value including accrued interest is also shown in the table.

PAC and PPL had no subordinated liabilities at 31 December 2024.

D.3.1.8 Lease liabilities

M&G plc

M&G plc has recognised liabilities of £425m (2023: £387m) in respect of lease liabilities, (primarily related to operating leases over land and buildings utilised as office space) in accordance with IFRS 16 leases on its IFRS consolidated statement of financial position.

Under IFRS, the lease liability is initially measured at the present value of lease payments that are not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's own incremental borrowing rate.

Subsequently, the lease liability is measured at amortised cost, using the effective interest method. From time to time, the lease liability may be re-measured where there is a change in future lease payments, for example, where the Group reassesses whether it will exercise a purchase, extension or termination option. Where this happens, a corresponding adjustment is made to the carrying amount of the right of use asset or an amount is recognised in the IFRS consolidated income statement if the carrying amount of the right of use asset has been reduced to zero.

Under Solvency II, the lease liability is updated to be based upon a revised present value of future lease liability payments rather than the IFRS value. The discount rate used is based on the Group's incremental borrowing rate but unlike IFRS, is updated each period to reflect current market conditions, excluding any change in the borrowing rate which reflect changes in the Group's own credit standing in line with the Solvency II regulations.

In PAC and PPL there are no material liabilities recognised on the Solvency II balance sheet arising as a result of operating and finance leasing arrangements. Further information on the leasing arrangements of PAC and PPL are disclosed in Section A.4.2.

D.3.1.9 Contingent liabilities

M&G plc, PAC, PPL

On a statutory accounts basis, contingent liabilities are disclosed but not recognised. For the Solvency II balance sheet, contingent liabilities are required to be recognised where they are material.

Material contingent liabilities are recognised on the Solvency II balance sheet as the probability-weighted average of future cash flows required to settle the contingent liability over the lifetime of that liability, discounted at the risk-free rate of interest.

As at 31 December 2024 and 31 December 2023 there were no material contingent liabilities that were recognised as a liability under Solvency II.

D Valuation for solvency purposes (continued)

D.3 Valuation of other liabilities (continued)

D.3.1.10 Debts owed to credit institutions

PAC

Debts owed to credit institutions in the UK GAAP financial statements are valued at amortised cost but are valued at fair value for the Solvency II balance sheet. The major component of debt liabilities are over-the-counter derivatives collateral creditors and obligations under securities lending.

D Valuation for solvency purposes (continued)

D.4 Alternative methods for valuation

The use of alternative methods for valuation by the Group are discussed in Sections D.1 to D.3, with D.1.1 providing qualitative information on the sensitivity of financial assets and liabilities to changes in unobservable inputs used in the valuation.

Valuation uncertainty refers to the variability of the fair value measurement that exists at any given reporting date/time for a financial instrument or portfolio of positions. Valuation uncertainty arises because the realisable value of an asset can take a range of possible values at a single point in time. The width of the range will vary between asset classes, depending on the valuation technique used, with the degree of valuation uncertainty being lower for highly liquid listed securities and higher for hard-to-value or illiquid assets where prices are not readily available.

To the extent that the assets or liabilities relate to the With-Profits Fund, valuation uncertainty does not have a significant impact on the Solvency II surplus.

The Group has in place Independent Price Verification (IPV) Group Wide Operating Standards, which prescribe minimum standards that should be applied in valuation of financial assets including those managed by third parties.

The standards include establishing valuation and oversight committees and setting appropriate IPV policies, procedures and controls around the independent verification of asset prices, pricing parameters and valuation model inputs. The standards require documentation of the process for assessing valuation uncertainty, including the controls surrounding valuation models and an understanding of the model assumptions and limitations.

The Group has developed Group-wide IPV procedures which cover all investment asset classes owned by the Group, and set minimum requirements for the governance surrounding valuation pricing. These standards require that processes are established to verify the accuracy and independence of model inputs and market prices provided by third parties. Where mark to market valuations are not available from independent price sources, the IPV standards set minimum requirements for alternative methodologies including mark to model valuations.

The Group’s valuation policies, procedures and analysis for instruments valued using alternative valuation methods with significant unobservable inputs are overseen by relevant committees as part of the Group’s wider financial reporting governance processes. The procedures undertaken include approval of valuation methodologies, verification processes, and resolution of significant or complex valuation issues. In undertaking these activities, the Group makes use of the extensive expertise of its Asset Management functions. In addition, the Group has minimum standards for IPV to ensure valuation accuracy is regularly independently verified. Adherence to this policy is monitored.

The analysis of investment pricing performed for recent periods has demonstrated that the fair values used by the Group lie within a reasonable range.

D.5 Material differences in solvency valuation between the Group and its subsidiaries

For local solo reporting, PIA is regulated by the Central Bank of Ireland and uses the standard formula approach and, following the recent Solvency II reforms in the UK, uses a different risk margin basis. This results in a different valuation of PIA on a solo basis and when consolidated within PAC and within the Group. Note that there are no resulting valuation differences between PAC and the Group.

There are no other material differences in the valuation for solvency purposes between the Group and its subsidiaries.

D.6 Any other information

There is no other material information regarding the Group's valuation of assets and liabilities for solvency purposes other than that disclosed in the sections above.

E Capital management

The primary focus of the Group's capital management framework is to maintain financial strength and reward shareholders with attractive returns. This is achieved through actively managing M&G plc's solvency position and the quality of capital held.

When deploying additional capital, the Group prioritises investments in the business that can generate long-term sustainable earnings growth. Any investment will always be measured against the financial attractiveness of capital returns, as well as the Group's Risk Appetite Framework which sets out key trigger points for the management of solvency, liquidity, and dividend volatility.

For details on the Group's capital generation in the period, please see the 'Summary' to this report, as well as sections E.1.4 and E.2.3.

To the extent these disclosures relate to the risk margin, TMTP and/or the Solvency Capital Requirement, they are not subject to audit and have not been audited.

M&G plc uses the default accounting consolidation based method (described as "Method 1" in the PRA Rulebook) to calculate its Group Solvency II position. Under this method the calculation of group solvency is carried out on the basis of the IFRS consolidated statement of financial position valued in accordance with Solvency II rules, as described in Section D.

Under this method, the own funds position of M&G plc is primarily calculated on the basis of consolidated data, being the line-by-line aggregation of the assets and liabilities of the undertakings in the Group, following IFRS accounting consolidation methodology.

This method treats the M&G plc group as if it were a single economic unit and allows for diversification benefits based on the consolidated data within the SCR.

The own funds and SCR for undertakings operating in other financial sectors, and certain other undertakings, are separately determined and consolidated as single line participations, as described in Sections E.1 (own funds) and E.2 (SCR) below. In particular, for OEICs, unit trusts and other investment funds meeting the definition of a participation under Solvency II, the Group's interests in these entities, valued on a Solvency II basis, are presented as a single line within 'Holdings in related undertakings, including participations'.

A full list of undertakings within the scope of the Group, including the consolidation approach, is provided in the regulatory template IR.32.01.22 in the Appendix.

E Capital management (continued)

E.1 Own funds

E.1.1 Objectives, policies and processes for managing own funds

The Group manages its capital using Solvency II own funds as its measure of capital. It manages its Solvency II capital to ensure that sufficient own funds are available on an ongoing basis to meet regulatory capital requirements, at both the M&G plc Group level and for each of its regulated undertakings.

M&G plc produces a Medium Term Capital Plan as part of its business planning process. The business plan is prepared annually on a rolling basis and currently covers to the period ending 31 December 2027.

There have been no material changes in the objectives, policies or processes for managing own funds in the year.

The Group manages its business according to a shareholder view of solvency which is considered to provide a more relevant reflection of capital strength. The M&G plc shareholder Solvency II capital position (and solvency ratio) are calculated excluding the contribution to own funds and SCR from the ring-fenced With-Profits Fund. The capital position of each entity is shown in Section E.1.2 below.

Basic, available and eligible own funds to cover the SCR and MCR for each of M&G plc, PAC and PPL as at 31 December 2024 are shown in Section E.1.3 below.

A reconciliation from the estimated shareholder Solvency II capital position published in the statutory financial statements to the Solvency II position disclosed in the regulatory template is provided in Section E.1.2 below.

E.1.2 Group shareholder Solvency II capital position

Reconciliation of Solvency II capital position published in the statutory accounts to the reporting templates

A reconciliation of the Solvency II capital positions disclosed in the statutory financial statements to those disclosed in the 2024 reporting templates (IR.23.01.04 and IR.25.04.22 for M&G plc, IR.23.01.01 and IR.25.04.21 for PAC and PPL) is shown in the tables below.

M&G plc

Figure 70: M&G plc - Reconciliation of the regulatory Solvency II capital position to that disclosed in the reporting templates

	As at 31 December 2024			
	Own funds	SCR	Surplus	Solvency ratio
	£m	£m	£m	%
Group shareholder Solvency II capital position as disclosed in the statutory financial statements[1, 2]	8,524	3,816	4,708	223 %
Impact of including With-Profits Fund capital position	8,894	3,129	5,765	27 %
Ring-fenced funds consolidation of own funds limited to SCR balances	(5,765)	—	(5,765)	(82)%
Group regulatory Solvency II capital position as disclosed in templates IR.23.01.04 and IR.25.04.22	**11,653**	**6,945**	**4,708**	**168 %**

1. The figures in the M&G plc 2024 Annual Report and Accounts were disclosed in £bn.
2. Included in the shareholder surplus at 31 December 2024 is an amount of £230m (2023: £264m) in respect of any potential future legislative change which would impact our residential ground rent portfolio.

PAC

Figure 71: PAC - Reconciliation of the regulatory Solvency II capital position to that disclosed in the reporting templates

	As at 31 December 2024			
	Own funds	SCR	Surplus	Solvency ratio
	£m	£m	£m	%
PAC shareholder Solvency II capital position as disclosed in the statutory financial statements	6,570	3,063	3,507	214 %
Impact of including With-Profits Fund capital position	8,894	3,129	5,765	35 %
Ring-fenced funds consolidation of own funds limited to SCR balances	(5,765)	—	(5,765)	(93)%
PAC regulatory Solvency II capital position as disclosed in templates IR.23.01.01 and IR.25.04.21	**9,699**	**6,192**	**3,507**	**157 %**

E Capital management (continued)

E.1 Own funds (continued)

PPL

Figure 72: PPL - Reconciliation of the regulatory Solvency II capital position to that disclosed in the reporting templates

	As at 31 December 2024			
	Own funds	SCR	Surplus	Solvency ratio
	£m	£m	£m	%
PPL shareholder Solvency II capital position as disclosed in the statutory financial statements	84	27	57	315 %
PPL regulatory Solvency II capital position as disclosed in templates IR.23.01.01 and IR.25.04.21	**84**	**27**	**57**	**315 %**

E.1.3 Analysis of the components of own funds

Items of own funds vary in their ability to absorb losses and within the Solvency II regulations are classified into three tiers to reflect their quality (ability to absorb losses), with Tier 1 the highest quality and Tier 3 the lowest.

The tiering of own funds is primarily based on their availability to meet losses and subordination. Additional features also considered are: sufficient duration, absence of incentives to redeem, absence of mandatory servicing costs and absence of encumbrances.

These characteristics are described below:

- Permanent availability refers to whether an item is available, or can be called up on demand, to fully absorb losses on a going concern basis, as well as in the case of a winding-up.
- Subordination refers to whether, in the case of a winding-up, the total amount of the item is available to absorb losses and the repayment of the item is refused to its holder until all other obligations, including insurance and reinsurance obligations towards policyholders and beneficiaries of insurance and reinsurance contracts, have been met.
- Sufficient duration requires that consideration be given to the duration of the item, in particular whether the item is dated or not. Where an own fund item is dated, the relative duration of the item as compared to the duration of the relevant insurance obligations should be considered.
- Absence of incentives to redeem refers to whether the item is free from requirements or incentives to redeem the nominal sum.
- Absence of mandatory servicing costs refers to whether the item is free from mandatory fixed charges.
- Absence of encumbrances refers to whether the item is free from encumbrances. Encumbrances include factors such as rights of set off, restrictions and charges or guarantees.

Tier 1 own funds must substantially possess the characteristics of permanent availability and subordination taking into consideration the additional features described above. Tier 2 items must substantially possess the characteristics of subordination taking into consideration the additional features.

Where own funds do not meet the criteria to be classified as Tier 1 or Tier 2, the items will be classified as Tier 3.

The components of the Group and its insurance subsidiaries' own funds have been assessed relative to these requirements and classified into the relevant tier.

There are certain regulatory limits regarding the eligibility of own funds to meet capital requirements. The key eligibility limits, which apply to entities consolidated using Method 1 are as follows:

- At least 50% of the SCR must be covered by Tier 1 own funds (and no more than 20% of those Tier 1 items may be hybrid instruments such as subordinated liabilities) and a maximum of 15% of the SCR may be covered by Tier 3.
- At least 80% of the MCR must be covered by Tier 1 (and no more than 20% of those Tier 1 items may be hybrid instruments such as subordinated liabilities). Tier 3 own funds are not eligible to cover the MCR. This in effect means that Tier 2 basic own funds are eligible as long as they cover no more than 20% of the MCR.

The tables below show the components that make up the basic, available and eligible own funds amounts as at 31 December 2024. Items suffixed with (a) to (f) are discussed in further detail on the following pages.

E Capital management (continued)

E.1 Own funds (continued)

M&G plc

Figure 73: M&G plc - Analysis of components of own funds at 31 December 2024 and 31 December 2023

	As at 31 December					
	Total 2024 £m	Tier 1 unrestricted £m	Tier 1 restricted £m	Tier 2 £m	Tier 3[f] £m	Total 2023 £m
Ordinary share capital including share premium[a]	**504**	**504**	—	—	—	498
Surplus funds[b]	**8,991**	**8,991**	—	—	—	9,662
Reconciliation reserve[c]	**(2,021)**	**(2,021)**	—	—	—	(2,252)
Subordinated liabilities[d]	**2,486**	—	—	**2,486**	—	3,063
Net deferred tax assets [f]	**548**	—	—	—	**548**	536
Deductions for participations in credit institutions, investment firms and financial institutions [1]	—	—	—	—	—	(1,151)
Impact of tiering restriction	—	—	—	—	—	(216)
Total eligible own funds to meet the Group SCR (excl OFS)	**10,508**	**7,474**	—	**2,486**	**548**	**10,140**
Participations in credit institutions, investment firms and financial institutions[e]	**1,145**	**1,145**	—	—	—	1,151
Total eligible own funds to meet the Group SCR (incl OFS)	**11,653**	**8,619**	—	**2,486**	**548**	**11,291**
Impact of tiering restriction	**(2,713)**	—	—	**(2,164)**	**(548)**	(3,071)
Excludes participations in credit institutions	**(1,145)**	**(1,145)**	—	—	—	(1,151)
Total eligible own funds to meet the Group MCR	**7,795**	**7,474**	—	**322**	—	**7,069**

1. The presentation of IR.23.01.04 has changed and the deductions are now part of the reconciliation reserve at 31 December 2024. 2023 is re-presented on a consistent basis.

PAC

Figure 74: PAC - Analysis of components of own funds at 31 December 2024 and 31 December 2023

	As at 31 December PAC					
	Total 2024 £m	Tier 1 unrestricted £m	Tier 1 restricted £m	Tier 2 £m	Tier 3[f] £m	Total 2023 £m
Ordinary share capital[a]	**330**	**330**	—	—	—	330
Surplus funds[b]	**8,991**	**8,991**	—	—	—	9,662
Reconciliation reserve[c]	**(22)**	**(22)**	—	—	—	(1,165)
Net deferred tax assets	**400**	—	—	—	**400**	387
Total eligible own funds to meet the SCR[1]	**9,699**	**9,298**	—	—	**400**	**9,214**
Total eligible own funds to meet the MCR[1]	**9,298**	**9,298**	—	—	—	**9,214**

1. The insurance subsidiary PAC has no ancillary own funds and hence their basic own funds are equal to the total available own funds. The eligible own funds are derived by applying Solvency II tiering limits to the tiered available own funds.

PPL

Figure 75: PPL - Analysis of components of own funds at 31 December 2024 and 31 December 2023

	As at 31 December PPL		
	Total 2024 £m	Tier 1 unrestricted £m	Total 2023 £m
Ordinary share capital[a]	**6**	**6**	6
Surplus funds[b]	—	—	—
Reconciliation reserve[c]	**78**	**78**	72
Total eligible own funds to meet the SCR[1]	**84**	**84**	**78**
Total eligible own funds to meet the MCR[1]	**84**	**84**	**78**

1. The insurance subsidiary PPL has no ancillary own funds and hence their basic own funds are equal to the total available own funds. The eligible own funds are derived by applying Solvency II tiering limits to the tiered available own funds.

E Capital management (continued)

E.1 Own funds (continued)

M&G plc, PAC and PPL

(a) Ordinary share capital (Tier 1 unrestricted capital)

M&G plc's ordinary share capital of £120m, represents the nominal value of 5 pence for each fully paid equity share issued. The difference between the proceeds received on issue of shares, net of issue costs, and the nominal value of shares issued is treated as share premium and amounts to £383m.

PAC's ordinary share capital represents the nominal value of 25 pence for each fully paid equity share issued. PPL's ordinary share capital represents £1 for each fully paid equity share issued.

As the ordinary share capital is available or can be called upon to fully absorb losses it is categorised as Tier 1.

(b) Surplus funds (Tier 1 unrestricted capital)

Surplus funds arise from the ring-fenced With-Profits Fund. The value of surplus funds reported represents the excess of assets over liabilities (excluding the risk margin) of those ring-fenced funds after deducting the present value of the expected future shareholder transfers (net of any related tax borne by the With-Profits Fund). Having considered the features of Tier 1 own fund instruments set out in the Solvency II regulations, surplus funds have been classified under Tier 1.

In accordance with the own funds templates IR.23.01.04 (M&G plc) and IR.23.01.01 (PAC and PPL) presentation requirements, the value of surplus funds reported on the template is prior to ring-fencing related restrictions being applied. The related restrictions are included as a deduction in the Reconciliation Reserve under "Restrictions applied to own funds due to ring-fencing". As such, the contribution of surplus funds towards own funds is lower than that reported on the face of the IR.23.01.04 and IR.23.01.01 (own funds) templates.

The treatment of surplus assets arisen from miscellaneous sources in the with-profits fund, including the non-profit annuity business, is discussed in section D.2.3.1.

(c) Reconciliation reserve (Tier 1 unrestricted capital)

The reconciliation reserve represents the excess of assets over liabilities after deducting other basic own funds items, applying a restriction to own funds due to ring-fencing for the With-Profits Fund and deducting own shares held, as shown in the table below.

Figure 76: Analysis of components of the reconciliation reserve

	As at 31 December					
	M&G plc		PAC		PPL	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Excess of assets over liabilities	**14,991**	15,670	**15,464**	16,379	**84**	78
Deductions[1]	**(1,145)**					
Own shares (held directly and indirectly)	**(58)**	(61)			**—**	—
Foreseeable dividends, distributions and charges	**—**	—			**—**	—
Other basic own fund items	**(10,044)**	(10,696)	**(9,720)**	(10,379)	**(6)**	(6)
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**(5,765)**	(7,165)	**(5,765)**	(7,165)	**—**	—
Other non-available own funds	**—**	—			**—**	—
Reconciliation reserve	**(2,021)**	(2,252)	**(22)**	(1,165)	**78**	72

1. The Own Funds templates IR.23.01.04 (M&G plc), and IR.23.01.01 (for PAC and PPL) present the deductions as positive numbers.

The reconciliation reserve is volatile as it captures changes impacting the assets and liabilities, including due to experience differing from assumptions, dividend payments, and the movement in the ring-fenced fund restrictions.

(d) Subordinated liabilities (Tier 2 capital) - M&G plc only

At 31 December 2024, the M&G plc's subordinated liabilities consist of subordinated notes which were transferred from Prudential plc at the time of the Demerger. These subordinated notes issued by M&G plc rank below its senior obligations and ahead of its ordinary share capital, and under Solvency II regulations these subordinated instruments are permitted to be treated as capital.

A description of the key features, including maturity and call dates, for each of the Group's subordinated notes as at 31 December 2024 is described in Figure 77.

Also shown in Figure 77 is the Solvency II valuation of these instruments. The Solvency II valuation of £2,486m as at 31 December 2024 (2023: £3,063m) is based on fair value but excludes the impact arising from changes in own credit standing since initial recognition. The decrease in the value of the subordinated debt since 31 December 2023 mainly reflects the repurchase and redemption of notes during the year as described below.

E Capital management (continued)

E.1 Own funds (continued)

Figure 77: Key features of the Group's subordinated notes

	5.625% Sterling fixed rate	6.25% Sterling fixed rate	6.50% US Dollar fixed rate	6.34% Sterling fixed rate	5.56% Sterling fixed rate	3.875% Sterling fixed rate
Principal amount	**£750m**	**£500m**	**$500m**	**£700m**	**£439m**	**Nil (£300m 2023)**
Issue date[1]	**3 October 2018**	**3 October 2018**	**3 October 2018**	**16 December 2013 (amended 10 June 2019)**	**9 June 2015 (amended 10 June 2019)**	**8 July 2019**
Maturity date	**20 October 2051**	**20 October 2068**	**20 October 2048**	**19 December 2063**	**20 July 2055**	**20 July 2049**
Callable at par at the option of the Company from	**20 October 2031 (and each semi-annual interest payment date thereafter)**	**20 October 2048 (and each semi-annual interest payment date thereafter)**	**20 October 2028 (and each semi-annual interest payment date thereafter)**	**19 December 2043 (and each semi-annual interest payment date thereafter)**	**20 July 2035 (and each semi-annual interest payment date thereafter)**	**20 July 2024, 20 July 2029 (and each semi-annual interest payment date thereafter)**
Solvency II own funds treatment	**Tier 2**	**Tier 2**	**Tier 2**	**Tier 2**	**Tier 2**	**Tier 2**
Solvency II value at 31 December 2024	**£697m**	**£409m**	**£404m**	**£587m**	**£389m**	**—**
Solvency II value at 31 December 2023	£721m	£446m	£404m	£635m	£558m	£299m

1. The subordinated notes were issued by Prudential plc rather than by M&G plc. They were initially recognised by M&G plc on 18 October 2019.

On 19 June 2024 the Group completed a repurchase of £161m of 5.56% sterling fixed rate subordinated notes for a consideration of £150m. On 20 July 2024, the Group redeemed, at par, all £300m 3.875% sterling fixed rate subordinated loan notes. These notes were issued on 10 July 2019 with a maturity date of 20 July 2049.

Transitional provisions within Solvency II rules allow existing items qualifying as capital under the Solvency I regime to be 'grandfathered' into Tier 1 or Tier 2 when they do not otherwise meet the criteria for classification as own funds under Solvency II rules. None of these instruments rely upon transitional provisions and instead directly qualify as Tier 2 capital under Solvency II.

For a liability to be included in own funds it must, at a minimum, be subordinate to all claims of policyholders, beneficiaries and non-subordinated creditors.

All of the instruments provide for the suspension of repayment or redemption, where there is non-compliance with the SCR or repayment or redemption would lead to such non-compliance, unless otherwise permitted by the PRA. Similarly all payments (other than payments to the Trustee in accordance with the Trust Deed) shall unless otherwise permitted by the PRA, be conditional upon M&G plc satisfying the SCR and MCR at the time of, and immediately after any such payment.

(e) Participations in credit institutions, investment firms and financial institutions (Tier 1 unrestricted capital)
M&G plc's group undertakings operating in other financial sectors (the most significant of which is M&G Investments) are valued using their sectoral (if regulated) or notional sectoral rules (if unregulated).

(f) Value of net deferred tax assets (Tier 3 capital)
The value of the net DTA as disclosed on the Solvency II balance sheet is required to be treated as Tier 3 capital under the Solvency II regulations. M&G plc has £548m of a net DTA as at 31 December 2024 (2023: £536m), after offsetting DTL, where appropriate. PAC has £400m of a net DTA as at 31 December 2024 (2023: £387m), after offsetting DTL, where appropriate.

Changes in composition of own funds during 2024
There have been no significant changes in the composition of own funds during 2024 for M&G plc, PAC or PPL.

Ancillary own funds
M&G plc, PAC and PPL had no ancillary own funds as at 31 December 2024.

E.1.4 Change in own funds for the year ended 31 December 2024
Figure 78 below and the accompanying commentary provide the reasons for the changes in the components which make up the own funds during 2024. The overall change in Solvency II own funds over the period is analysed as follows:

- Total own funds generation is the total change in Solvency II own funds before dividends and capital movements, and own funds generated from discontinued operations.
- Operating own funds generation is the total own funds generation before tax, adjusted to exclude market movements relative to those expected under long-term assumptions and to remove other non-operating items, including shareholder restructuring and other costs as defined under adjusted operating profit before tax (see Section A.2). It has two components:

E Capital management (continued)

E.1 Own funds (continued)

a. Underlying own funds generation, which includes: the underlying expected own funds from the in-force life insurance business; the change in own funds as a result of writing new life insurance business; the adjusted operating profit before tax from Asset Management; and other items, including head office expenses and debt interest costs; and

b. Other operating own funds generation, which includes non-market related experience variances, assumption changes, modelling improvements and other movements.

The TMTP has been dynamically recalculated throughout the reconciliation, and is shown separately for the regulatory own funds, the ring-fenced With-Profits Fund's own funds and the residual shareholder business' own funds.

M&G plc

Figure 78: M&G plc - Analysis of change in own funds for the year ended 31 December 2024

£m		For the year ended 31 December 2024		
		Shareholder view	With-profits Fund view [1]	Regulatory view
Own funds as at 31 December 2023		8,927	9,529	11,292
Asset Management	**Asset Management**	254	—	254
	Asset Management own funds generation	254	—	254
Life	**With-profits: PruFund**	292	—	292
	-In-force	217	—	217
	-New Business	75	—	75
	With-profits: Traditional	158	—	158
	Shareholder Annuities	215	—	215
	Other	(8)	—	(8)
	Life underlying own funds generation	657	—	657
Corporate	**Interest & Head Office cost**	(235)	—	(235)
Ring-fenced With-Profits Fund		—	890	890
Total Underlying own funds generation		676	890	1,566
Other operating own funds generation		26	(1,048)	(1,022)
	Asset management	21	—	21
	Life	12	—	12
	Corporate centre	(7)	—	(7)
	Ring-fenced with-profits fund	—	(1,048)	(1,048)
Total operating own funds generation		702	(158)	544
	Market movements	(281)	(382)	(663)
	Restructuring and other	(160)	(71)	(231)
	Tax	44	(24)	20
	Eligible Own Funds Restriction[2]	216	—	216
Total own funds generation from continuing operations		521	(635)	(114)
Own Funds Generation from discontinued operations		—	—	—
Total Own Funds Generation		521	(635)	(114)
Dividends & capital movements		(924)	—	(924)
Change in with-profits ring-fenced funds restrictions[3]		—	—	1,399
Total Movement in Own Funds		(403)	(635)	361
Own funds as at 31 December 2024[4]		8,524	8,894	11,653

1. The with-profits lines represent the shareholders' interest in the Group's with-profits business. The impact of this business within the With-Profits Fund is shown separately.

2. As at 31 December 2023 the sum of capital classed as Tier 2 and Tier 3 exceeded 50% of the regulatory Group SCR by £216m. While this capital remained available to the Group, as it was above the regulatory threshold, Own Funds was restricted by this amount to determine eligible Own Funds. At 31 December 2024 the sum of capital classed as Tier 2 and Tier 3 has not breached the limit and there is no eligible own funds restriction.

3. The contribution of the With-Profits Fund to Group own funds is limited to that required to cover the fund's capital requirements (see Section E.2). During 2024, the restriction decreased by £1,399m, which reflects a £635m reduction in the With-Profits Fund's own funds and a £765m reduction in the fund's SCR.

4. Total own funds at 31 December 2024 includes the impact of risk margin and TMTP. These elements are not subject to audit and have not been audited. The analysis of change in own funds is presented assuming the TMTP was recalculated at each year end.

Group

The main own funds movements during 2024 were as follows:

E Capital management (continued)

E.1 Own funds (continued)

Shareholder:

- Underlying own funds generation was £676m during 2024. See the PAC Shareholder section below Figure 79 for explanation of £657m Life underlying own funds generation. This also reflects £254m underlying Own Funds capital generation from the Asset Management business, partially offset by £235m of debt interest and Head Office costs.
- Other operating items resulted in own funds capital generation of £26m. See the PAC Shareholder section below Figure 79 for explanation of £11m contributed by PAC Shareholder. The additional £14m impact for M&G plc is Asset Management and Corporate Centre other operating items and £1m from Life business other than PAC Life business.
- Non-operating items reduced own funds by £181m. This mainly reflects unfavourable market movements of £281m as a result of the rise in risk-free rates over 2024 which result in a loss in non-profit annuity surplus assets and shareholder interest rate hedges, and a £37m reduction in own funds from the introduction of the fundamental spread additions in the matching adjustment calculation following UK reforms to Solvency II. £133m of restructuring and other costs are more than offset by the removal of the £216m eligible own funds restriction in place at 31 December 2023 and a positive impact of £44m from current tax.
- Dividends and capital movements contributed to a net reduction of £924m in own funds. This reflects £468m of external dividends paid to shareholders over the period and £450m of capital movements due to deleveraging activities undertaken in 2024.

With-Profits Fund:

See PAC With-Profits fund section below Figure 79.

PAC

Figure 79: PAC - Analysis of change in own funds for the year ended 31 December 2024

		Shareholder	With-Profits Fund	Regulatory
Own funds as at 31 December 2023		**6,850**	**9,529**	**9,214**
Life	With-profits: PruFund	292	—	292
	-In-force	217	—	217
	-New Business	75	—	75
	With-profits: Traditional	158	—	158
	Shareholder Annuities	215	—	215
	Other	(8)	—	(8)
	Life underlying own funds generation	**657**	**—**	**657**
Ring-fenced With-Profits Fund		**—**	**890**	**890**
Total Underlying own funds generation		**657**	**—**	**657**
Other operating own funds generation		**11**	**(1,048)**	**(1,037)**
	Life	11	—	11
	Ring-fenced With-Profits Fund	—	(1,048)	(1,048)
Total operating own funds generation		**668**	**(158)**	**510**
	Market movements	(281)	(382)	(663)
	Restructuring and other	(64)	(71)	(134)
	Tax	47	(24)	23
Total Own Funds Generation from continuing operations		**370**	**(635)**	**(264)**
Own Funds Generation from discontinued operations		**—**	**—**	**—**
Total Own Funds Generation		**370**	**(635)**	**(264)**
Dividends & capital movements		(650)	—	(650)
Change in with-profits ring-fenced funds restrictions [1]		—	—	1,399
Total Movement in Own Funds		**(280)**	**(635)**	**485**
Own funds as at 31 December 2024[2]		**6,570**	**8,894**	**9,699**

1. The contribution of the ring-fenced With-Profits Fund to Group own funds is limited to that required to cover the fund's capital requirements (see Section E.2).
2. Total own funds at 31 December 2024 includes the impact of risk margin and TMTP. These elements are not subject to audit and have not been audited.

The main own funds movements during 2024 were as follows:

Shareholder:

- £657m underlying own funds generation mainly reflects £449m from with-profits business, driven by the expected growth in future shareholder transfers, net of hedging and the impact of with-profits new business. There was a further contribution from shareholder annuity business of £215m, due to the expected growth of excess assets, the release of credit reserves and the impact of writing new bulk purchase annuity business.

E Capital management (continued)

E.1 Own funds (continued)

- Other operating items resulted in favourable own funds capital generation of £11m. This includes the beneficial impact of assumption changes (£162m), which is largely driven by the changes to longevity assumptions and £56m from management actions, mainly driven by the own funds impact of the with-profits excess surplus distribution. These positive items are partially offset by the own funds impact from model changes of £(131)m (mainly due to the the changes to the prospective modelling of the with-profits fund which took place in 2024 and reduces future shareholder transfers) and unfavourable non-market experience variance of £(82)m.
- Non-operating items reduced own funds by £298m. Similar to M&G plc above, this mainly reflects unfavourable market movements of £281m, £37m from UK reforms to Solvency II, and £38m of restructuring costs for PAC, partially offset by a positive impact of £47m due to current tax.
- The payment of £650m in dividends to M&G plc over 2024. Further information is in Section A.1.4.2.

With-Profits Fund:

- Underlying capital generation of £890m is largely from the expected surplus from in-force business, primarily reflecting the expected return on the excess of assets over liabilities in the With-Profits Fund.
- Other operating capital generation of £(1,048)m. This primarily reflects the distribution of c.£1bn of excess surplus from the with-profits inherited estate to policyholders which reduces the own funds by £991m largely due to the increase in asset share liabilities.
- Non-operating items reduced own funds by £477m. This mainly reflects unfavourable market movements of £382m, £58m of restructuring costs, £24m from an additional tax liability and £12m from Solvency UK reforms.

PAC is funded by ordinary share capital of £330m. There were no changes in the ordinary share capital of PAC during the year.

PPL

Figure 80: PPL - Analysis of change in own funds for the year ended 31 December 2024

All figures in £m	PPL
Own Funds as at 31 December 2023	**78**
Total underlying own funds generation	**2**
Other operating own funds generation	**7**
Total operating own funds generation	**9**
Market movements	**0**
Restructuring and other	**0**
Tax	**(3)**
Total Own Funds Generation	**6**
Total Movement in Own Funds	**6**
Own funds as at 31 December 2024[1]	**84**

1. Total own funds at 31 December 2024 includes the impact of risk margin. This element is not subject to audit and has not been audited.

The key drivers of the change in own funds are:

- The underlying movement reflects the expected growth in surplus assets and the impact on own funds from new business in the period.
- Other operating movements increased own funds by £7m, primarily changes in expense assumptions of £4m and favourable non-market experience of £1m.
- Non-operating items reduced own funds by £3m. This is mainly driven by an increase in current and deferred tax.

E Capital management (continued)

E.1 Own funds (continued)

E.1.5 Reconciliation of statutory accounts shareholders' equity to Solvency II excess of assets over liabilities and eligible own funds

The 'excess of assets over liabilities' on the Solvency II balance sheet is not equivalent to own funds as a number of adjustments are made when determining own funds to restrict the valuation, or to de-recognise liabilities which meet appropriate requirements to be considered as solvency capital.

The reconciliation of the statutory financial statements shareholders' equity, to the excess of assets over liabilities on the Solvency II balance sheet and to the Solvency II eligible own funds value are shown in Figure 81 below. The reconciling items are described in Sections D and E above.

Figure 81: Reconciliation of shareholder equity to Solvency II own funds at 31 December 2024 and 31 December 2023

	As at 31 December					
	M&G plc		PAC		PPL	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Statutory financial statements shareholders' equity	**3,323**	4,084	**2,119**	2,554	**78**	74
Remove Fund for Future Appropriations of the With-Profits Fund from liabilities[1]	**—**	—	**14,732**	14,927	**—**	—
Deduct goodwill and intangible assets	**(1,390)**	(1,455)		—	**—**	—
Deduct deferred acquisition costs	**(19)**	(23)	**—**	(4)	**—**	—
Remove B71 liability (net of an estimate of the effect of mutualisation)[2]	**7,959**	8,200	**—**	—	**—**	—
Net impact of valuing policyholder liabilities and reinsurance valued on Solvency II basis	**4,416**	4,029	**(1,172)**	(868)	**—**	—
Impact of introducing Solvency II Risk Margin (net of transitional measures)	**(313)**	(317)	**(273)**	(277)	**(4)**	(4)
Impact of measuring assets and liabilities in line with Solvency II principles	**967**	1,019	**35**	37	**10**	8
Recognise own shares[3]	**15**	47		—	**—**	—
Other	**33**	86	**23**	9	**—**	—
Solvency II excess of assets over liabilities	**14,991**	**15,670**	**15,464**	**16,379**	**84**	**78**
Subordinated debt capital	**2,485**	3,063		—	**—**	—
Ring-fenced fund restrictions	**(5,765)**	(7,165)	**(5,765)**	(7,165)	**—**	—
Deduct own shares[3]	**(58)**	(61)		—	**—**	—
Eligible Own Funds restriction	**—**	(216)	**—**	—	**—**	—
Solvency II eligible own funds	**11,653**	**11,291**	**9,699**	**9,214**	**84**	**78**

1. Fund for Future Appropriations of the With-Profits Fund is not a component of IFRS 17 liabilities and therefore is not relevant for Group.
2. The B71 liability is not a component of UK GAAP liabilities and therefore is not relevant for PAC or PPL.
3. Group - Own shares are recognised on the Solvency II balance sheet at fair value of £58m (2023: £61m), which differs to cost measurement used for IFRS of £15m (2023: £47m).

E.1.6 Significant restrictions to the fungibility and transferability of own funds

Restriction to own funds arising from ring-fenced funds

The Group has considered the specific provisions of national law, insolvency law, contract law and product regulation of the insurance subsidiaries' jurisdiction of operations in determining the appropriate treatment of ring-fenced funds.

For ring-fenced funds, own funds are adjusted to reflect that the funds have a reduced capacity to fully absorb losses on a going-concern basis due to their lack of fungibility within the Group. The contribution to own funds from a ring-fenced fund is restricted such that the contribution to own funds from the ring-fenced fund is equal to the notional SCR for that ring-fenced fund. The impact of ring-fenced funds on the solvency position is shown in Figure 81 above, and relates to the WPSF only. No restriction applies in respect of the DCPSF, as although this is classed as ring-fenced, capital support mechanisms exist between this fund and the WPSF. The ring-fenced fund restriction excludes the expected present value of shareholder transfers expected to emerge from the With-Profits Fund, and therefore the value of these transfers contributes to own funds. A corresponding capital requirement is held reflecting the risk to the shareholder that these future transfers differ from expectations.

Restriction to own funds arising from own shares

The value of treasury shares held by M&G plc is recognised as an asset on the Solvency II balance sheet at fair value but deducted in determining own funds.

E Capital management (continued)

E.1 Own funds (continued)

Restriction to own funds arising from defined benefit pension schemes

Any IAS19 surplus arising in respect of the PSPS and SASPS defined benefit pension schemes is recognised, as appropriate, in the Solvency II Own Funds, with an equivalent increase in the Solvency Capital Requirement, as the surplus asset recognised in the balance sheet would not be fungible within 9 months under stress.

Other restrictions to own funds

In line with Solvency II requirements, the Group considers the extent to which own funds are transferable around the Group within nine months under stressed market conditions (to a 1-in-200 level), and assessed there were no further restrictions to own funds required as at 31 December 2024.

There are no restrictions in respect of the matching adjustment portfolio; there are no matching adjustment portfolios that have any surplus in excess of their notional SCR, and as a result no restriction to own funds has been applied.

M&G plc's subordinated debt liabilities are treated as own funds reflecting that the liabilities are not required to be paid in certain circumstances. As such, these instruments are not subject to fungibility or transferability constraints for the purposes of M&G plc Own Funds and Solvency.

Foreseeable dividends

Dividends are deducted from own funds as soon as they are foreseeable. The M&G plc Board have approved the policy that the dividend in respect of each financial year will comprise a first interim dividend, expected to be one-third of the previous financial year's total dividend, followed by a second interim dividend. Interim dividends are considered to be foreseeable at the point the M&G plc Board declares the dividend. A second interim dividend for 2024 of 13.5 pence per ordinary share, estimated at £321m in total, was approved by the Group Board on 18 March 2025 to be paid on 9 May 2025. This dividend was not deemed foreseeable as at 31 December 2024 and therefore not deducted from own funds.

On 4 March 2025 the Board of PAC approved a final dividend of £383m to be paid to M&G plc. This dividend was not deemed foreseeable as at 31 December 2024 and therefore not deducted from own funds.

On 4 March 2025 the Board of PPL approved a dividend of £20m to be paid to PAC. This dividend was not deemed foreseeable as at 31 December 2024 and therefore not deducted from own funds.

E.1.7 Other information on M&G plc Own Funds

All of the Group's equity capital, and the subordinated debt treated as capital as listed in Section E.1.3 above, are issued by the ultimate parent company, M&G plc.

M&G plc's own funds allow for elimination of inter-company transactions and balances within those undertakings forming the consolidated data. Transactions and balances (other than intra-group financing of own funds) with OFS undertakings are not consolidated or eliminated so as to allow the appropriate sectoral calculation to be determined.

In the context of the valuation of technical provisions, the Group's best estimate liabilities are the sum of the best estimates of liabilities of individual insurance subsidiaries, adjusted for intra-group transactions relating to internal reinsurance arrangements. The risk margin and TMTP are calculated as the sum of the amounts from individual legal entities with the exception of PIA, where the PRA's Solvency II requirements (rather than EIOPA's) are applied.

E Capital management (continued)

E.2 Solvency Capital Requirement and Minimum Capital Requirement (Unaudited)

E.2.1 Overview

The SCR is the amount of capital the Solvency II regulations require insurers to hold such that they can meet their obligations with a 99.5% confidence level over a one-year period. It is calculated by assessing the value-at-risk of the insurer's basic own funds in the event of a 1-in-200 year risk scenario occurring.

For the purpose of Solvency II regulatory reporting and disclosures and risk management, M&G plc has approval from the PRA to use an internal model for calculating the M&G plc SCR, together with solo undertaking SCRs for PAC and PPL. From and including 31 December 2020, the solo undertaking SCR for PIA has been calculated using the standard formula, although its contribution to the Group SCR is based on modelling PIA exposures using the Group's internal model.

In line with Solvency II requirements, capital requirements for regulated OFS entities and non-regulated OFS entities have been derived using sectoral rules and notional sectoral rules respectively. The Group SCR for all other undertakings is calculated based on the Group's assessment of the risks, treating those undertakings as if they were a single economic unit (i.e. consolidated data) and allows for diversification benefits between them.

The Consolidated Group SCR is determined as the sum of the SCR for insurance undertakings, insurance holding companies and ancillary services companies and the capital requirements for undertakings calculated using sectoral and notional sectoral rules. No diversification is allowed for between the Group SCR and the sectoral requirements from OFS undertakings.

E.2.2 Components of SCR

Figure 82 below shows the undiversified SCR by risk components, the benefit of diversification in relation to the Group, and the sectoral requirements for OFS undertakings. This is not comparable to the breakdown of the shareholder SCR presented within the Supplementary Information in the M&G plc 2024 Annual Report and Accounts, as the exposures relating to the With-Profits Fund are included within the regulatory SCR.

The same internal model is used to calculate the M&G plc capital requirements and PAC and PPL solo capital requirements. The SCR of £6,945m, calculated on the basis of the consolidated data, reflects the capital requirements of the Group's main insurance subsidiary PAC (£6,192m) together with additional risk exposures from other non-sectoral subsidiaries. There is limited additional diversification at the M&G plc level, relative to PAC, given the modest amount of risk exposures in these subsidiaries.

Information on the movements in the M&G plc, PAC and PPL SCRs are provided in Section E.2.3 below.

The PRA has the power to impose a capital add-on to the SCR where it believes the SCR may be insufficient. It has not done so for M&G plc, PAC or PPL.

The risks and approach used to calculate the capital requirements may differ from those used by other companies and therefore may not be comparable.

E Capital management (continued)

E.2 Solvency Capital Requirement and Minimum Capital Requirement (Unaudited) (continued)

Figure 82: Composition of capital requirements

	As at 31 December					
	M&G plc		PAC		PPL	
	2024	2023 Restated[1]	2024	2023 Restated[1]	2024	2023 Restated[1]
Risk component	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Interest rate risk	937	876	936	876	4	4
Equity risk	2,559	2,132	2,545	2,110	12	12
Property risk	809	848	766	804	0	0
Credit risk[2]	2,326	2,534	2,333	2,544	7	7
Concentration risk	—	—	—	—	—	—
Currency risk	1,480	1,273	1,480	1,273	4	5
Diversification within market risks	**(2,800)**	**(2,872)**	**(2,785)**	**(2,858)**	**(8)**	**(10)**
Counterparty default risk	**105**	**117**	**76**	**83**	**—**	**—**
Mortality risk	32	34	32	34	—	—
Longevity risk	2,034	2,160	2,034	2,160	—	—
Disability-morbidity risk	15	17	15	17	—	—
Life - Expense risk	1,243	1,259	1,243	1,259	30	31
Lapse risk	1,363	1,419	1,363	1,419	7	7
Life catastrophe	10	11	10	11	—	—
Diversification within life underwriting risks	**(2,674)**	**(2,681)**	**(2,608)**	**(2,625)**	**(23)**	**(24)**
Non-life underwriting risk	**—**	**—**	**—**	**—**	**—**	**—**
Operational risk	2,690	2,817	2,593	2,698	14	15
Total before diversification between risk modules	**10,129**	**9,944**	**10,033**	**9,805**	**47**	**47**
Diversification between market and underwriting risks	(2,727)	(2,859)	(2,713)	(2,812)	(14)	(12)
Total after diversification	**7,402**	**7,085**	**7,320**	**6,993**	**33**	**34**
Loss-absorbing capacity of deferred tax	(38)	81	(179)	(63)	(6)	(4)
Other adjustments[3]	(966)	(974)	(949)	(961)	(1)	(1)
Total diversified SCR based on consolidated data	**6,398**	**6,192**	**6,192**	**5,969**	**27**	**29**
Sectoral SCR[4]	**547**	**574**	**—**	**—**	**—**	**—**
Total SCR	**6,945**	**6,766**	**6,192**	**5,969**	**27**	**29**

1. The 2023 comparatives include presentational changes arising from the UK reforms to Solvency II reporting introduced at 31 December 2024.
2. This risk category is labelled 'Spread risk' in reporting templates IR.25.04.22 and IR.25.04.21 contained in the Appendix.
3. The 'other adjustments' component includes adjustments to the SCR. This is primarily in respect of expected changes in Own Funds over the next year..
4. This part of the SCR is headed 'Information on other entities' in IR.25.04.22 contained in the Appendix.

The table above illustrates that a significant proportion of the Group's capital requirements relate to market risk exposures, in particular credit and equity risks, whilst longevity risk is the most significant underwriting risk.The Group also holds significant undiversified capital in respect of operational risks.

Key changes in the SCR for M&G plc and PAC over 2024 include:

- An increase in equity, property, interest rate, and currency risk capital primarily due to the changes to the prospective modelling of the with-profits fund, which has increased the sensitivity of the with-profits sub-fund to extreme stresses.
- A reduction in property and interest rate capital following a reduction in the cost of the no-negative-equity-guarantee on lifetime mortgage business due to the increase in interest rates. This more than offsets the increase in property risk capital on the with-profits business and partially offsets the increase in interest rate capital.
- A reduction in credit risk capital driven by a combination of the rise in yields, which reduces the surplus credit-risky asset exposure and the sensitivity of the non-profit annuity business to credit stresses, the impact of the Matching Adjustment reforms implemented during 2024, and the expected release of capital from the run-off of the in-force book of non-profit annuities.
- A reduction in longevity risk capital due to the rise in yields over the period.
- A reduction in operational risk capital due to updates to the risk distributions underpinning the 1-in-200 stress.

PPL

Key changes in the SCR for PPL over 2024 include:

E Capital management (continued)

E.2 Solvency Capital Requirement and Minimum Capital Requirement (Unaudited) (continued)

- A reduction in expense risk capital due to the run-off of the in-force business and the rise in yields; hence the shock is applied to a lower expected present value of future expense outgo.
- A reduction in operational and currency risk capital due to updates to the risk distributions underpinning the 1-in-200 stresses.
- A partially offsetting reduction in the diversification between risks as a result of the fall in the undiversified capital amounts.

Minimum Capital Requirements

The M&G plc MCR (Minimum Consolidated Group SCR) is calculated as the sum of the MCRs of the UK and European Economic Area (EEA) authorised insurance and reinsurance undertakings included in the scope of Method 1.

The MCR is a formulaic calculation, which is subject to a cap and a floor that are both expressed relative to the SCR. As at 31 December 2024, the M&G plc MCR was £1,609m, of which £1,548m relates to PAC, £12m to PPL and £49m to PIA.

The inputs used to calculate the MCR for each of PAC and PPL are detailed in reporting templates IR.28.01.01 (PAC) and IR.28.01.01 (PPL).

E.2.2.1 Loss-absorbing capacity of deferred tax

The SCR involves the calculation of the amount of capital required to ensure the Group can withstand a 1-in-200 adverse event in the year following the valuation date. Such an event would inevitably lead to taxable losses, but these taxable losses could in part be offset against profits as permitted by tax law or establishing deferred tax assets. Solvency II regulations permit the basic SCR to be adjusted for the loss-absorbing capacity of deferred tax (LADT).

An element of the LADT arises due to changes in the deferred tax liability of the With-Profits Fund. To the extent that the tax charge is borne by the with-profits policyholders this has been excluded from the LADT shown in Figure 82. The amount excluded at 31 December 2024 is £391m (2023: £355m).

As at 31 December 2024, the SCR has been reduced by an adjustment for LADT of £38m (2023: £(82)m) for M&G plc, £179m (2023: £63m) for PAC and £6m (2023: £4m) for PPL.

In calculating the adjustment for LADT, the recoverability of DTAs under the stress scenario has been demonstrated by offset against:

- Unutilised deferred tax liabilities (to the extent there are any);
- Carry-back relief against prior year profits from the PAC and PPL business (to the extent there are any);
- Unutilised taxable profits of the year of shock from the PAC business;
- Unutilised post-stress taxable future profits from the PAC business; and
- Expected profits from future premiums excluded under Solvency II contract boundary rules.

The deferred tax asset balance on the Solvency II balance sheet is offset against the above items in the calculation of the LADT.

E.2.3 Change in SCR for the year ended 31 December 2024

Figure 83 below and the accompanying commentary provide the reasons for the changes in the components that make up M&G plc's SCR during 2024. The movement in SCR has been analysed as follows:

Operating SCR movement is the total SCR movement before tax, adjusted to exclude market movements relative to those expected under long-term assumptions and to remove other non-operating items, including shareholder restructuring and other costs as defined under adjusted operating profit before tax. The operating SCR movement is presented before the impact of dividends and capital movements. It has two components:

- Underlying SCR movement, which is primarily comprised of the underlying expected SCR movements from the in-force life insurance business and the change in SCR as a result of writing new life insurance business; and
- Other operating SCR movement, which include non-market related experience variances, assumption changes, modelling changes and other movements.

Given that the MCR is based on a proportion of the SCR for each insurance undertaking in the Group, the analysis also explains the main causes for the change in MCR during the period.

The TMTP has been dynamically recalculated throughout the reconciliation, and is shown separately for the regulatory SCR, the ring-fenced With-Profits Fund's SCR and the residual shareholder business' SCR.

The table below presents the SCR as a positive item, contrary to the impact on Solvency II surplus. Therefore, a positive movement represents an increase in the SCR and a reduction in Solvency II surplus.

E Capital management (continued)

E.2 Solvency Capital Requirement and Minimum Capital Requirement (Unaudited) (continued)

M&G plc

Figure 83: Analysis of change in the M&G plc SCR

		For the year ended 31 December 2024		
		Shareholder view	With-Profits Fund view	Regulatory view
SCR as at 31 December 2023		£m	£m	£m
SCR as at 31 December 2023		**4,402**	**2,364**	**6,766**
Asset Management	Asset Management	(7)	—	(7)
	Asset Management underlying capital generation	**(7)**	**—**	**(7)**
Life	With-profits: PruFund[1]	53	—	53
	-In-force	(47)		(47)
	-New Business	100	—	100
	With-profits: Traditional[1]	(32)	—	(32)
	Shareholder Annuities	18	—	18
	Other	2	—	2
	Life underlying capital generation	**41**		**41**
Corporate	**Interest & Head Office cost**	**(2)**	**—**	**(2)**
Ring-fenced With-Profits Fund		**—**	**(29)**	**(29)**
Total Underlying SCR generation		**32**	**(29)**	**4**
Other operating SCR generation		(263)	1,444	1,181
	Asset management	(30)	—	(30)
	Life	(221)	—	(221)
	Corporate centre	(12)	—	(12)
	Ring-fenced with-profits fund	—	1,444	1,444
Total operating SCR generation		**(231)**	**1,415**	**1,184**
	Market movements	(222)	(660)	(882)
	Restructuring and other	(25)	10	(15)
	Tax	(109)	—	(109)
Total SCR Generation from continuing operations		**(587)**	765	**178**
SCR Generation from discontinued operations		**—**	**—**	**—**
Total SCR Generation		**(587)**	**765**	**178**
Dividends & capital movements		—	—	—
Change in with-profits ring-fenced funds restrictions		—	—	—
Total Movement in SCR		**(587)**	**765**	**178**
SCR as at 31 December 2024		**3,816**	**3,129**	**6,945**

1. The with-profits lines represent the shareholders' interest in the Group's with-profits business. The impact of this business within the With-Profits Fund is shown separately.

E Capital management (continued)

E.2 Solvency Capital Requirement and Minimum Capital Requirement (Unaudited) (continued)

The main SCR movements during 2024 were as follows:

Shareholder:

- Underlying movements resulted in a net £32m increase in the Group shareholder SCR during 2024. The reduction in SCR in respect of Asset Management business is driven by reduction in non-currency market risk and operational risk, partially offset by an increase in FX risk. For Traditional with-profits business, the reduction in SCR of £32m represents the expected movement as the business runs off and capital is released. The increase in the PruFund SCR of £53m is largely due to the strain of writing new business partially offset by the release of capital from the run-off of the in-force book. For Shareholder annuity business, there was a £18m increase in the SCR reflecting the capital required on new business exceeding the run-off of capital on the in-force book.
- Other operating items resulted in a £263m net reduction in the SCR. The most significant drivers of this were the impacts of the changes to the prospective modelling of the with-profits fund which reduced the frequency of management actions taken and decreased the SCR by £203m. The impact of annuity asset trading and equity de-risking in the With-Profits Fund reduced the SCR by £54m.
- Market movements decreased the SCR by £222m.This reduction is driven by the increase in interest rates during 2024. 2023 includes incremental capital of £175m held in the SCR in respect of the UK government's consultation on residential ground rents. The additional capital reflects that the "peppercorn" scenario crystallises in the stand-alone 1-in-200 event; however there is significant diversification against the Group's existing risk exposure, which results in the diversified risk capital being materially lower that the full loss amount and therefore reflects the diversified impact of the possible outcomes set out in the consultation. This allowance is unchanged in 2024.
- Other non-operating changes reduced the SCR by £25m, including the impact of the UK reforms to Solvency II implemented in 2024.
- There was a £109m reduction in the SCR as a result of the changes in LADT.

With-Profits Fund:

See PAC With-Profits fund section below in Figure 84.

E Capital management (continued)

E.2 Solvency Capital Requirement and Minimum Capital Requirement (Unaudited) (continued)

PAC

Figure 84: Analysis of change in the PAC SCR

		For the year ended 31 December 2024		
		Shareholder view	With-Profits Fund view	Regulatory view
		£m	£m	£m
SCR as at 31 December 2023		**3,605**	**2,364**	**5,969**
Life	With-profits: PruFund[1]	53	—	53
	-In-force	(47)		(47)
	-New Business	100	—	100
	With-profits: Traditional[1]	(32)	—	(32)
	Shareholder Annuities	19	—	19
	Other	5	—	5
	Life underlying capital generation	**45**		**45**
Ring-fenced With-Profits Fund		—	**(29)**	**(29)**
Total Underlying SCR generation		45	**(29)**	**16**
Other operating SCR generation		**(230)**	**1,444**	**1,214**
	Life	(230)	—	(230)
	Ring-fenced with-profits fund	—	**1,444**	**1,444**
Total operating SCR generation		**(187)**	**1,415**	**1,228**
	Market movements	(223)	(660)	(883)
	Restructuring and other	(25)	10	(15)
	Tax	(107)	—	(107)
Total SCR Generation from continuing operations		**(542)**	**765**	**223**
SCR Generation from discontinued operations		**—**	**—**	**—**
Total SCR Generation		**(542)**	**765**	**223**
Dividends & capital movements		—	—	—
Change in with-profits ring-fenced funds restrictions		—	—	—
Total Movement in SCR		**(542)**	**765**	**223**
SCR as at 31 December 2024		**3,063**	**3,129**	**6,192**

1. The with-profits lines represent the shareholders' interest in the Group's with-profits business. The impact of this business within the With-Profits Fund is shown separately.

The main SCR movements during 2024 were as follows:

Shareholder:

- Underlying capital generation resulted in a net £45m increase in the PAC shareholder SCR during 2024 due to the partially offsetting impacts from the reduction in capital as the business runs off and the increase in capital as new business is written.
- Other operating items resulted in a £230m decrease in the SCR. The most significant drivers are as outlined for M&G in Figure 83 above.
- Market movements reduced the SCR by £223m.
- Other non-operating changes reduced the SCR by £25m, including the impact of the Solvency UK reforms implemented in 2024.
- A £107m reduction in the SCR is due to the changes in the PAC-only LADT.

With-Profits Fund:

The reasons for the movement in the With-Profits Fund business are:

- Underlying capital generation resulted in a net £29m reduction in SCR during the period which reflects the release of capital requirements as the in-force business runs off, partially offset by capital requirements in respect of new business written over the period.
- Other operating items resulted in a £1,444m increase in the SCR, primarily due to the full rebuild of the prospective with-profits modelling which took place in 2024. The changes to the prospective modelling have increased the sensitivity of the With-Profits Fund to the 1-in-200 stresses due to fewer management actions.

E Capital management (continued)

E.2 Solvency Capital Requirement and Minimum Capital Requirement (Unaudited) (continued)

- Market movements reduced the SCR by £660m over the period largely due to increase in yields during 2024.
- A £10m increase from other non-operating items, which includes the impact of UK reforms to Solvency II.
- The LADT for WP business is included across the analysis of change.

PPL

Figure 85: Analysis of change in the PPL SCR

All figures in £m	Shareholder and regulatory view
SCR as at 31 December 2023	**29**
Total Underlying SCR generation	**(3)**
Other operating SCR generation	0
Total operating SCR generation	**(3)**
Market movements	1
Restructuring	2
Tax	(2)
Total SCR Generation	**(2)**
Dividends & capital movements	—
Total Movement in SCR (recalculated transitional measure)	**(2)**
SCR as at 31 December 2024	**27**

The main movements during 2024 are as follows:

- Underlying movements resulted in a £3m reduction due to the partially offsetting impacts from the reduction in capital as the business runs off and the increase in capital as new business is written.
- Other operating changes reduced the SCR by less than £1m. This small movement is primarily due to the impact of updates to the risk distributions used to determine the 1-in-200 stresses.
- Market movements increased the SCR by £1m.

E.3 Use of the duration-based equity risk sub-module in the calculation of the SCR (Unaudited)

The Group has not used the duration-based equity risk sub-module in the calculation of its SCR as it is a standard formula approach and not applicable to an internal model firm.

E Capital management (continued)

E.4 Group Internal Model (Unaudited)

E.4.1 Overview

The Group's internal model, which is consistent with the rules and requirements of the PRA Rulebook, is a key risk management tool and refers to the collection of systems and processes used to identify, monitor and quantify risks for the purpose of calculating the Solvency II solvency capital requirement and economic capital requirement. This is a risk-based measure and, compared to the standard formula (as described below), has the advantage of better reflecting the specifics of the Group's business and risks.

The internal model calibrations are primarily based on historical data, with expert judgements applied where required.

The standard formula capital refers to the capital that is calculated in line with the standard formula rules provided by the PRA Rulebook. Even though the standard formula, as part of Solvency II, represents a risk-based measure, it is based on a set of prescribed parameters, calibrated for European insurers and therefore it does not fully reflect the characteristics of the Group and the specific structure and the risks to which the Group is exposed.

One of the tests for approval of the Internal Model relates to the ability of the Group to demonstrate on an ongoing basis that the Internal Model is widely used and plays an important role in the system of governance ('the use test'). Satisfying this test demonstrates to the PRA (and other supervisory authorities) that management have confidence in the Internal Model and are actively using its outputs. For the Group, the framework for use test compliance is part of the Internal Model governance framework (refer to Section B.3.3). It sets out areas of risk-based decision making or risk-related considerations where the Internal Model should be considered to demonstrate that it is widely embedded and is used within the business. These areas include reserving and regulatory capital; strategic and business planning; capital management; investment strategy; external relations; risk management; product management; and remuneration. Evidence of use in these areas by the Group throughout 2024 has been demonstrated as part of an annual attestation process, as required by the framework.

E.4.2 Internal model application

As required in the PRA Rulebook, the SCR from the approved Internal Model is calculated as the value-at-risk of the basic own funds of an (re)insurance undertaking at a confidence level of 99.5% over a one-year period. The main risk categories allowed for in the internal model are shown in Section E.2.2. Within these categories, underlying "risk drivers" are specified as the result of an annual risk identification process. A model is defined and calibrated for each underlying risk driver and these are combined with an appropriate dependency structure and simulated to generate multiple thousands of combined risk scenarios. These risk scenarios are applied to all the assets and liabilities of the Group (for each entity within the scope of the internal model) to generate a wide range of possible outcomes. For simplicity, and to avoid circularity, the risk margin is held constant in all these risk scenarios. The resulting probability distribution is used to calculate the internal model SCR, by subtracting the 99.5th worst percentile outcome from the unstressed balance sheet.

The data used in the Internal Model is subject to the Internal Model Data Quality Framework to ensure the accuracy, completeness, appropriateness and timeliness of the data. The following types of data are used in the Internal Model:

- liability data;
- asset data;
- finance data;
- operational risk data;
- policyholder data;
- data used in setting assumptions, including demographic, economic and other; and
- other relevant data required by the internal model and technical provisions.

E.4.3 Comparison of the Internal model and standard formula

Key differences between the calculation of the Internal Model SCR and the standard formula SCR include:

- The standard formula stresses and correlations are prescribed in the Solvency II Delegated Regulations, whilst the Internal Model risk scenarios reflect the Group's specific risk profile and are derived from a combination of data analysis and expert judgement, subject to the Internal Model tests and standards required by the PRA Rulebook (see further detail in Figure 86 below).
- Although the same broad risk categories are used to group risk drivers in the Internal Model, the internal model risk drivers within each category are typically much more granular than the broad risk categories considered under the standard formula. For example, the Internal Model risk drivers typically vary by country, as well as by other attributes of the risk, whereas many of the standard formula stresses do not vary by country.
- The Internal Model covers some risks that are not included in the standard formula (for example, equity implied volatility risk, interest rate implied volatility risk and government bond spread risk).
- The Internal Model SCR is derived by combining underlying risk drivers together into combined stress scenarios, and then ranking the outcomes of applying these stress scenarios to the Group's balance sheet to derive the 99.5th worst percentile outcome. Conversely, the standard formula SCR is derived by calculating the impact on the balance sheet of each prescribed stress separately and then aggregating these outcomes using prescribed correlation matrices. The Internal Model approach allows for the impact on the balance sheet of combinations of risks occurring together, whereas the standard formula does not allow for interaction effects when risks occur simultaneously.

E Capital management (continued)

E.4 Group Internal Model (Unaudited) (continued)

- For Group and PAC, the Internal Model allows for the matching adjustment ring-fenced portfolio to vary in each risk scenario, reflecting changes in the value of the corresponding liabilities. Therefore, diversification is allowed for between risks inside and risks outside the matching adjustment portfolio. Conversely, the standard formula requires that matching adjustment portfolios are ring fenced and therefore no diversification is recognised between risks inside the matching adjustment portfolio and risks outside the matching adjustment portfolio.

E Capital management (continued)

E.4 Group Internal Model (Unaudited) (continued)

Figure 86: Overview of Standard Formula and Internal Model differences

Risk category	Standard formula	Internal model
Equity	Stresses vary between "Type 1" (listed EEA and OECD stocks) and "Type 2" (other countries, unlisted equities and alternative equity investments). A symmetric adjustment is applied to the level of stress to smooth out significant movements in markets close to the calculation date.	The model includes more granular stresses with calibrations set for each main equity benchmark index. At least one equity index is calibrated for each relevant global economy. Private equity, infrastructure equity and hedge funds are modelled using specific calibrations. Equity implied volatility is also modelled. No symmetric adjustment is applied.
Credit	For corporate bonds, loans and non-exempt sovereign bonds, credit risk is modelled by stressing credit spreads, with stresses varying by rating and duration bucket. European sovereign bonds are exempt from stress. Different stresses are applied for securitised assets and those with no credit rating. The matching adjustment is allowed for by a factor-based reduction of the spread stresses by rating.	Credit spreads, ratings migrations, defaults and fundamental spreads (for the UK matching adjustment portfolio) are all explicitly modelled. The spread stresses vary by credit rating, with calibrations differentiated by economy, product and duration bucket where appropriate. Internal credit assessments are used for bonds and loans without an agency rating and to uplift stresses for assets where structuring introduces additional risk. Spread stresses are applied to sovereign bonds, taking into account the credit risk of the issuing government. The matching adjustment is calculated dynamically based on the bond yields and fundamental spread being modelled in each risk scenario.
Yields	Interest rate stresses are defined as bi-directional stresses to the base risk-free curve which vary by term but not by country.	Stresses are calibrated for each relevant global economy, and stresses to the shapes of risk-free yield curves are modelled using an industry-standard 'principle component' methodology. Stressed curves are re-extrapolated beyond the last liquid point for each economy using the methodology specified by the PRA. Interest rate implied volatility and inflation risk are also modelled.
Property	There is a single property stress applied globally to the value of all assets classified as property.	Property stresses are differentiated by type of property, with separate calibrations for commercial and residential property. The model also separates the risks relating to contractually fixed rental income from that relating to capital growth where this is relevant for the matching adjustment.
Currency	A pair of up and down stresses is applied to the non-GBP net asset value in each business, and then aggregated. This approach also implicitly captures any asset-liability currency mismatch in each country.	A calibration is derived for each currency relative to GBP. Currency outcomes are simulated and used to translate all assets and liabilities into sterling in each risk scenario, thereby including the effect of currency "translation" as well as asset-liability currency mismatches within countries.
Concentration (Group and PAC only)	The capital charge is based on the relative size of individual exposures as a proportion of the overall asset portfolio. Some non-EEA sovereigns are included, depending on their credit rating.	A similar approach is used as for the standard formula, with a more risk-based approach adopted for Asia sovereigns.
Counterparty default risk	Counterparty default risk is calculated taking into account the loss-given-default and probability of default, using fixed factors. Separate parameters and different aggregation approaches are applied for Type 1 exposures (e.g. derivatives, reinsurance, deposits) compared to Type 2 exposures (e.g. receivables from intermediaries).	A stochastic portfolio model (calibrated by credit rating) is used to capture counterparty risk, allowing for stochastic default and recovery rates. The model allows for counterparty exposures to increase under stressed conditions arising from other market and underwriting risks.
Persistency	Policyholder persistency rates are stressed in both directions and a mass lapse stress is also assessed. The capital requirement is based on the largest of these three stresses. The stresses are fixed for all countries and products (except for "group policies" which have a higher capital charge).	The persistency calibration is more granular and includes stresses to persistency assumptions and mass lapses. The stresses vary by product type as appropriate.
Longevity (Group and PAC only)	A downward stress to mortality rates is applied to all relevant business.	The longevity calibration is more granular and includes stresses to base mortality rates and longevity trend assumptions separately. Calibrations are differentiated by gender, different blocks of business as appropriate, and other risk factors.
Mortality and Life catastrophe	An increase in best estimate mortality rates and an instantaneous catastrophe risk stress are applied to all relevant business.	The mortality calibration allows for stresses to both best estimate mortality rates and catastrophe risks.

E Capital management (continued)

E.4 Group Internal Model (Unaudited) (continued)

Risk category	Standard formula	Internal model
Morbidity (Group and PAC only)	An increase in long-term morbidity rates is applied, including a reduction in morbidity recovery rates. The same stresses apply for all relevant business.	An increase to the best estimate morbidity rates for all future years.
Expense	Both the level of expenses and level of expense inflation are stressed under the standard formula. The same stresses apply to all business.	Expense level and expense inflation risks are modelled, with stresses calibrated by product type where appropriate.
Operational	Operational risk is calculated using a factor based approach applied to premiums, technical provisions and unit linked expenses.	Individual operational risks are assessed bottom-up, and modelled using a frequency-severity model. These are combined with correlation assumptions to produce aggregate probability distributions of potential operational losses.

E.5 Non-compliance with the MCR and the SCR

The Group, PAC, and PPL met their SCR and MCR at all times during 2024.

E.6 Any other information

There is no other material information regarding the Group's capital management other than that disclosed in the sections above.

Glossary

Term	Definition
Adjusted operating profit before tax (AOP)	Adjusted operating profit before tax is one of the Group's key alternative performance measures. It is defined in Section A.2.
Annuity policy	Annuities are contracts that offer policyholders a regular income over the policyholder's life, in exchange for an upfront premium.
Assets under management and administration (AUMA)	Assets under management and administration represents the total market value of all financial assets managed, administered or advised on behalf of clients.
Board	The Board of Directors of the Company.
Bonuses	Bonuses refer to the non-guaranteed benefit added to participating life insurance policies and are the way in which policyholders receive their share of the profits of the policies. There are normally two types of bonus: Regular bonus: expected to be added every year during the term of the policy. It is not guaranteed that a regular bonus will be added each year, but once it is added, it cannot be reversed, also known as annual or reversionary bonus; and Final bonus: an additional bonus expected to be paid when policyholders take money from the policies. If investment return has been low over the lifetime of the policy, a final bonus may not be paid. Final bonuses may vary and are not guaranteed.
Company/parent company	M&G plc, a public limited company incorporated in England and Wales with registered number 11444019 whose registered office is 10 Fenchurch Avenue, London EC3M 5AG, UK.
Demerger	The demerger of the Group from the Prudential Group in October 2019.
Director	A Director of the Company.
ESG	ESG stands for Environmental, Social, and Governance. ESG is a framework that helps stakeholders understand how an organisation is managing risks and opportunities related to environmental, social, and governance criteria.
Financial Conduct Authority (FCA)	The Financial Conduct Authority (FCA) is the body responsible for supervising the conduct of all financial services firms and for the prudential regulation of those financial services firms not supervised by the Prudential Regulation Authority (PRA), such as asset managers and independent financial advisers.
Fund for Future Appropriations	Under UK GAAP, the Fund for Future Appropriations (FFA) represents the excess of assets over policyholder liabilities that have yet to be appropriated between policyholders and shareholders. The FFA is recorded wholly as a liability with no allocation to equity. The annual excess (shortfall) of income over expenditure of the with-profits fund, after declaration and attribution of the cost of bonuses to policyholders and shareholders, is transferred (to) from the FFA each year through a (charge) credit to the income statement. The balance retained in the FFA represents cumulative income arising on the with-profits business that has not been allocated to policyholders or shareholders. There is no Fund for Future Appropriations under IFRS 17.
Group	The Company and its subsidiaries.
Group Executive Committee (GEC)	The Group Executive Committee is composed of Board officers and senior-level executive management. It is the Group's most senior executive decision-making forum.
International Financial Reporting Standards (IFRS)	International Financial Reporting Standards are accounting standards issued by the International Accounting Standards Board (IASB). The Group's consolidated financial statements are prepared in accordance with UK adopted International Accounting Standards (IAS). Any reference to IFRS refers to those which have been adopted for use in the UK unless specified otherwise.
M&G Group Limited/M&G Investments	M&G Group Limited (MGG) is a private limited company incorporated in England and Wales with registered number 00633480 whose registered office is 10 Fenchurch Avenue, London EC3M 5AG, United Kingdom. MGG is the holding company of the Group's Asset Management business, M&G Investments.

Glossary (continued)

Term	Definition
Minimum Capital Requirements (MCR)	The MCR is the minimum amount of capital that an insurer needs to hold to cover its risks under the Solvency II regulatory framework. If an insurer's capital falls below the MCR then authorisation will be withdrawn by the regulator unless the insurer is able to meet the MCR within a short period of time.
Non-profit business	Contracts where the policyholders are not entitled to a share of the company's profits and surplus, but are entitled to other contractual benefits. Examples include pure risk policies (such as fixed annuities) and unit-linked policies.
Operating capital generation	Operating capital generation is the total capital generation before tax, adjusted to exclude market movements relative to those expected under long-term assumptions and to remove other non-operating items, including shareholder restructuring costs.
Own funds	Own funds refers to the Solvency II measure of capital available to meet losses, and is based on the assets less liabilities of the Group, subject to certain restrictions and adjustments. Available Own Funds reflect all capital available to the Group. Eligible Own Funds are net of restrictions applied in line with the thresholds set by the regulator that limit the amount of each tier of capital that can be used to demonstrate solvency.
Prudential Regulation Authority (PRA)	The Prudential Regulation Authority (PRA) is the body responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms in the UK.
Prudential Assurance Company (PAC)	The Prudential Assurance Company Limited (PAC) is a private limited company incorporated in England and Wales with registered number 00015454 whose registered office is 10 Fenchurch Avenue, London EC3M 5AG, United Kingdom.
Prudential Pensions Limited	Prudential Pensions Limited, a subsidiary of the Group, is a private limited company incorporated in England and Wales with registered number 00992726 whose registered office is 10 Fenchurch Avenue, London EC3M 5AG, United Kingdom.
PruFund	Our PruFund proposition provides our retail customers with access to smoothed savings contracts with a wide choice of investment profiles.
Sustainable Finance Disclosure Regulation (SFDR)	The EU's SFDR is a regulation designed to make it easier for investors to distinguish and compare between the many sustainable investment strategies that are now available within the European Union; the framework classifies asset managers' funds as either an article 6, 8, or 9 funds depending on their level of sustainability, and regardless if they are promoting their fund as an ESG investment.
Solvency II	A regime for the prudential regulation of insurance companies that was introduced by the EU on 1 January 2016, now modified by the PRA's 2024 reforms.
Solvency II surplus	Solvency II surplus represents the eligible Own Funds held by the Group less the Solvency Capital Requirement.
Statutory Profit	Profit, as reported within an entity's financial statements, in line with the adopted accounting standards.
Total capital generation	Total capital generation is the total change in Solvency II surplus capital, on an eligible Own Funds basis, before dividends and capital movements, and capital generated from discontinued operations.
Transitional measures on technical provisions (TMTP)	Transitional measures on technical provisions are an adjustment to Solvency II technical provisions, to smooth the impact of the change in the regulatory regime on 1 January 2016. This decreases linearly over 16 years following the implementation of Solvency II, but may be recalculated in certain cases, subject to agreement with the PRA.
UK GAAP	UK Generally Accepted Accounting Practice (UK GAAP) is the body of accounting standards published by UK's Financial Reporting Council. PAC and PPL's financial statements are prepared in accordance with UK GAAP, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the relevant parts of the Companies Act 2006.
Unit-linked policy	A policy where the benefits are determined by the investment performance of the underlying assets in the unit-linked fund.

Glossary (continued)

Term	Definition
With-profits business	Contracts where the policyholders have a contractual right to receive, at the discretion of the Company, additional benefits based the profits of the fund, as a supplement to any guaranteed benefits.
With-Profits Fund	The Prudential Assurance Company Limited's fund where policyholders are entitled to a share of the profits of the fund. Normally, policyholders receive their share of the profits through bonuses. It is also known as a participating fund as policyholders have a participating interest in the With-Profit Funds and any declared bonuses.

Approvals, modifications, and determinations

The following approvals, modifications, and determinations apply for M&G plc at 31 December 2024.

Approvals

Approval	Legal entity	Regulator reference
Matching adjustment in the calculation of technical provisions	PAC	A2202358P (01/01/16), A2248394P (01/01/16),A00008167P (01/08/24)
Transitional measure on technical provisions	PAC / PPL	A5114226P (19/12/18), A4851913P (31/12/17), A4928155P (03/05/18), A5356674P (30/09/19), A5427593P (31/12/19), A00001299P (31/03/20), A00003617P (31/12/21), A2249171P (01/01/16), A2249168P (01/01/16), A2457731P (22/07/16), A00005450P (07/10/22), A00003618P (31/12/21), A00003617P (31/12/21), A2249170P (01/01/16), 00007132 (13/11/23), 00007133 (13/11/23)
Full / partial internal model in the calculation of the SCR	PAC / PPL	A5344519P (21/10/19), A00003754P (27/12/21)

Modifications

M&G plc has received permission from the PRA to produce a single Group-wide SFCR (reference A00003171P (03/11/21)) .

M&G plc has received permission from the PRA to not report non-life reporting templates within the SFCR (reference 00010082 (18/12/24)) .

Determinations

None

Statement of directors' responsibilities

The Directors of M&G plc acknowledge their responsibility for preparing the Group SFCR in all material respects in accordance with the PRA rules and Solvency II Regulations.

The directors are satisfied that:

(a) throughout the financial year to 31 December 2024, the Group has complied in all material respects with the requirements of the PRA rules and the Solvency II Regulations as applicable at the level of the Group; and

(b) it is reasonable to believe that in respect of the period from 31 December 2024 to the date of the publication of the SFCR, the Group has continued so to comply and therefore will continue so to comply for the remainder of the financial year to 31 December 2025.

Signed on behalf of the Board of Directors

K McLeland

Director

4 April 2025

The Directors of The Prudential Assurance Company Limited acknowledge their responsibility for preparing the SFCR for PAC in all material respects in accordance with the PRA rules and Solvency II Regulations.

The directors are satisfied that:

(a) throughout the financial year to 31 December 2024, PAC has complied in all material respects with the requirements of the PRA rules and the Solvency II Regulations as applicable at the level of PAC; and

(b) it is reasonable to believe that in respect of the period from 31 December 2024 to the date of the publication of the Group SFCR, PAC has continued so to comply and therefore will continue so to comply for the remainder of the financial year to 31 December 2025.

Signed on behalf of the Board of Directors

S Horgan

Director

4 April 2025

The Directors of Prudential Pensions Limited acknowledge their responsibility for preparing the SFCR for PPL in all material respects in accordance with the PRA rules and Solvency II Regulations.

The directors are satisfied that:

(a) throughout the financial year to 31 December 2024, PPL has complied in all material respects with the requirements of the PRA rules and the Solvency II Regulations as applicable at the level of PPL; and

(b) it is reasonable to believe that in respect of the period from 31 December 2024 to the date of the publication of the Group SFCR, PPL has continued so to comply and will continue so to comply for the remainder of the financial year to 31 December 2025.

Signed on behalf of the Board of Directors

S Horgan

Director

4 April 2025

Independent Auditor's Report

Report of the external independent auditors to the Directors of M&G plc ('the Company') 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 Single Group-Wide Solvency and Financial Condition Report

Opinion

Except as stated below, we have audited the following documents prepared by the Company as at 31 December 2024:

- The 'Valuation for solvency purposes' and 'Capital management' sections of the Single Group-Wide Solvency and Financial Condition Report of the Company as at 31 December 2024, ('the Narrative Disclosures subject to audit');
- Group templates IR.02.01.02, IR.22.01.22, IR.23.01.04 and IR.32.01.22 ('the Group Templates subject to audit'); and
- Solo templates IR.02.01.02, IR.12.01.02, IR.22.01.21, IR.23.01.01 and IR.28.01.01 in respect of The Prudential Assurance Company Limited and IR.02.01.02, IR.12.01.02, IR.22.01.21, IR.23.01.01 and IR.28.01.01 in respect of Prudential Pensions Limited ('the Group members'), (together 'Templates subject to audit').

The Narrative Disclosures subject to audit, the Group Templates subject to audit and the Solo Templates subject to audit are collectively referred to as the 'relevant elements of the Single Group-Wide 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:

- Additions to the Fundamental Spread - any increase made under rule 4.17 of the Matching Adjustment Part of the PRA Rulebook for Solvency II firms to the Fundamental Spread used in the calculation of the Matching Adjustment and included in the technical provisions disclosed in relevant elements of the Solvency and Financial Condition Report.

Other Information which comprises:

- Information contained within the relevant elements of the Single Group-Wide Solvency and Financial Condition Report set out above which is, or derives from the Solvency Capital Requirement, as identified in the Appendix to this report;
- The 'Summary', 'Business and performance', 'System of governance' and 'Risk profile' elements of the Single Group-Wide Solvency and Financial Condition Report;
- Group templates IR.05.02.01, IR.05.03.02 and IR.25.04.22;
- Solo templates IR.05.02.01, IR.05.03.02 and IR.25.04.21;
- Information calculated in accordance with the previous regime used in the calculation of the transitional measure on technical provisions, and as a consequence all information relating to the transitional measure on technical provisions as set out in the Appendix to this report;
- The written acknowledgement by management of their responsibilities, including for the preparation of the Single Group-Wide Solvency and Financial Condition Report ('the Responsibility Statement'); and
- Information which pertains to an undertaking that is not a UK Solvency II firm and has been prepared in accordance with PRA Rules other than the Reporting Part of the PRA Rulebook or UK law other than law deriving from FSMA that applies to the UK Solvency II firms ('the sectoral information') as identified in the Appendix to this report.

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

In our opinion, the information subject to audit in the relevant elements of the Single Group-Wide Solvency and Financial Condition Report of the Company as at 31 December 2024 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules, as modified by relevant supervisory modifications and as supplemented by supervisory permissions 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 *Auditors' Responsibilities for the Audit of the relevant elements of the Single Group-Wide Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Single Group-Wide Solvency and Financial Condition Report in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtained the Directors' going concern assessment and challenged the rationale for the downside scenarios adopted and material assumptions made using our knowledge of the Group's business performance, review of regulatory correspondence and obtaining further corroborating evidence;

- Considered Management's assessment of the regulatory solvency coverage and liquidity position in the forward looking scenarios which have been driven from the Group's Own Risk and Solvency Assessment (ORSA); and
- Considered information obtained during the course of the audit and publicly available market information to identify any evidence that would contradict Management's assessment of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date on which the Single Group-Wide Solvency and Financial Condition Report is authorised for issue.

In auditing the Single Group-Wide Solvency and Financial Condition Report, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Single Group-Wide Solvency and Financial Condition Report is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Emphasis of Matter - Basis of Accounting

We draw attention to the 'Valuation for solvency purposes' and 'Capital Management' sections of the Single Group-Wide Solvency and Financial Condition Report, which describe the basis of accounting. The Single Group-Wide Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules, and therefore in accordance with a special purpose financial reporting framework. The Single Group-Wide 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 Single Group-Wide Solvency and Financial Condition Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the Other Information.

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

In connection with our audit of the Single Group-Wide 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 Single Group-Wide 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 Single Group-Wide 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 Single Group-Wide Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Single Group-Wide Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA Rules, which have been modified by the modifications, and supplemented by the permissions and determinations made by the PRA under section 138A of FSMA and the PRA Rules, as detailed below:

- Permission to publish a Single Group-Wide Solvency and Financial Condition Report;
- Approval to use the matching adjustment in the calculation of technical provisions;
- Approval to use the transitional measure on technical provisions;
- Approval to use full internal models; and
- Approval that the templates IR.05.02.04, IR.17.01.02 and IR.19.01.21 are not required with the effect from 14 March 2025 to 14 March 2030.

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

Auditors' Responsibilities for the Audit of the relevant elements of the Single Group-Wide 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 Single Group-Wide Solvency and Financial Condition Report is prepared, in all material respects, in accordance with financial reporting provisions of the PRA Rules.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Single Group-Wide Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Single Group-Wide Solvency and Financial Condition Report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. Based on our understanding of the Group members and Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK regulatory principles, such as those governed by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA), and we considered the extent to which non-compliance might have a material effect on the Single Group-Wide Solvency and Financial Condition Report. We also considered those laws and regulations that have a direct impact on the Single Group-Wide Solvency and Financial Condition Report such as the PRA rulebook applicable to Solvency II firms. We evaluated management's incentives and opportunities for fraudulent manipulation of the Single Group-Wide Solvency and Financial Condition Report (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas such as the valuation of technical provisions. Audit procedures performed included:

- Attendance at Audit Committee and Joint Audit and Risk Committee meetings;
- Discussions with the Board, Management, Internal Audit, management involved in the Risk and Compliance functions and Group's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes including those of the Board of Directors, Audit, Risk, Remuneration and Disclosure Committees;
- Meeting with the PRA periodically and reading key correspondence with the PRA and the FCA, including those in relation to compliance with laws and regulations;
- Reviewing the Group's register of litigation and claims, Internal Audit reports, and compliance reports in so far as they related to non-compliance with laws and regulations and fraud;
- Assessment of matters reported on the Group's whistleblowing helpline and fraud register and the results of Management's investigation of such matters;
- Evaluation and testing of the operating effectiveness of Management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries based on risk criteria;
- Testing of judgements and assumptions in subjective areas, such as valuation of best estimate liabilities; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the Single Group-Wide Solvency and Financial Condition Report. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for the Board of Directors of the Company in accordance with External Audit rule 2.1 of the Solvency II firms Sector of the PRA Rulebook and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose or to any other party save where expressly agreed by our prior consent in writing.

Other Matter – internal model

The Company has authority to calculate its Group Solvency Capital Requirement using an internal model ('the Group Model') approved by the Prudential Regulation Authority. The group members have authority to calculate their Solvency Capital Requirements using Group Model approved by the Prudential Regulation Authority. 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 Group Model, or whether the Group Model is being applied in accordance with the Group members' application or approval order.

Other Matter – Additions to the Fundamental Spread

In accordance with Rule 4.17 of the Matching Adjustment part of the PRA Rulebook, firms are permitted to increase the Fundamental Spreads where considered necessary to ensure they cover all risks retained by the Company. In forming our opinion (and in accordance with PRA Rules), we are not required to audit increases and do not report on the appropriateness of such increases to the Fundamental Spreads, if any.

Report on Other Legal and Regulatory Requirements

Sectoral Information

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

Other Information

In accordance with Rule 4.1 (3) of the External Audit Part of the PRA Rulebook for Solvency II firms we are also required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of the relevant elements of the Solvency and

Financial Condition Report and (where applicable) the audit of the Company'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 engagement partner on the audit resulting in this independent auditors' report is Thomas Robb.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants

7 More London Riverside

London

SE1 2RT

4 April 2025

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

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

- The following elements of Group template IR.02.01.02:
  - Row R0565: Transitional (TMTP) – life
  - Row R0552: Risk margin - total
  - Row R0554: Risk margin - non-life
  - Row R0556: Risk margin - life
- The following elements of Group template IR.22.01.22
  - Column C0030: Impact of transitional on technical provisions
  - Row R0010: Technical provisions
  - Row R0090: Solvency Capital Requirement
- The following elements of Group template IR.23.01.04
  - 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
- The following elements of Solo template IR.02.01.02:
  - Row R0565: Transitional (TMTP) – life
  - Row R0552: Risk margin - total
  - Row R0554: Risk margin - non-life
  - Row R0556: Risk margin - life
- The following elements of Solo template IR.12.01.02
  - Row R0100: Risk margin
  - Rows R0140 to R0180: Amount of the transitional on Technical Provisions
- The following elements of Solo template IR.22.01.21
  - Column C0030: Impact of transitional on technical provisions
  - Row R0010: Technical provisions
  - Row R0090: Solvency Capital Requirement
- The following elements of Solo template IR.23.01.01
  - Row R0580: SCR
  - Row R0740: Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

- The following elements of Solo template IR.28.01.01
  - Row R0310: SCR
- Elements of the Narrative Disclosures subject to audit identified as ‘unaudited’.

Reporting Templates

IR.02.01.02 Balance sheet - M&G plc

All amounts are in £'000

		Solvency II value
		C0010
Assets		**£000s**
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	—
Deferred tax assets	R0040	548,301
Pension benefit surplus	R0050	43,856
Property, plant & equipment held for own use	R0060	216,832
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	**134,658,352**
Property (other than for own use)	R0080	8,350,784
Holdings in related undertakings, including participations	R0090	64,131,983
Equities	**R0100**	**9,128,944**
Equities - listed	R0110	8,868,274
Equities - unlisted	R0120	260,670
Bonds	**R0130**	**44,605,511**
Government Bonds	R0140	15,633,323
Corporate Bonds	R0150	27,650,710
Structured notes	R0160	—
Collateralised securities	R0170	1,321,478
Collective Investments Undertakings	R0180	6,858,664
Derivatives	R0190	806,305
Deposits other than cash equivalents	R0200	776,161
Other investments	R0210	—
Assets held for index-linked and unit-linked contracts	R0220	13,814,760
Loans and mortgages	**R0230**	**12,631,343**
Loans on policies	R0240	802
Loans and mortgages to individuals	R0250	948,840
Other loans and mortgages	R0260	11,681,701
Reinsurance recoverables from:	**R0270**	**1,487,980**
Non-life and health similar to non-life	R0280	—
Life and health similar to life, excluding index-linked and unit-linked	R0315	307,540
Life index-linked and unit-linked	R0340	1,180,440
Deposits to cedants	R0350	—
Insurance and intermediaries receivables	R0360	47,709
Reinsurance receivables	R0370	90,461
Receivables (trade, not insurance)	R0380	669,829
Own shares (held directly)	R0390	58,340
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	—
Cash and cash equivalents	R0410	1,316,243
Any other assets, not elsewhere shown	R0420	—
Total assets	**R0500**	**165,584,006**

IR.02.01.02 Balance sheet - M&G plc

All amounts are in £'000

Liabilities		Solvency II value C0010 £000s
Technical provisions - total	**R0505**	**139,193,542**
Technical provisions - non-life	**R0510**	**—**
Technical provisions - life	**R0515**	**139,193,542**
Best estimate - total	**R0542**	**138,880,527**
Best estimate - non-life	R0544	—
Best estimate - life	R0546	138,880,527
Risk margin - total	**R0552**	**724,083**
Risk margin - non-life	R0554	—
Risk margin - life	R0556	724,083
Transitional (TMTP) - life	R0565	411,068
Other technical provisions	R0730	
Contingent liabilities	R0740	—
Provisions other than technical provisions	R0750	27,513
Pension benefit obligations	R0760	—
Deposits from reinsurers	R0770	105,200
Deferred tax liabilities	R0780	587,155
Derivatives	R0790	2,895,942
Debts owed to credit institutions	R0800	1,095,606
Financial liabilities other than debts owed to credit institutions	R0810	372,539
Insurance & intermediaries payables	R0820	1,131,197
Reinsurance payables	R0830	26,496
Payables (trade, not insurance)	R0840	2,672,272
Subordinated liabilities	**R0850**	**2,485,747**
Subordinated liabilities not in Basic Own Funds	R0860	—
Subordinated liabilities in Basic Own Funds	R0870	2,485,747
Any other liabilities, not elsewhere shown	R0880	—
Total liabilities	**R0900**	**150,593,209**

Excess of assets over liabilities	**R1000**	**14,990,797**

IR.05.02.01 Premiums, claims and expenses by country - M&G plc (unaudited)

All amounts are in £'000

Life		Home Country	Country (by amount of gross premiums written) - life obligations					Total Top 5 and home country[1]
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R01400		PL					
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
Premiums written								
Gross	R1410	7,118,618	106,575	—	—	—	—	7,225,194
Reinsurers' share	R1420	296,227	5,809	—	—	—	—	302,036
Net	R1500	6,822,391	100,766	—	—	—	—	6,923,157
Premiums earned								
Gross	R1510	7,118,618	106,575	—	—	—	—	7,225,194
Reinsurers' share	R1520	296,227	5,809	—	—	—	—	302,036
Net	R1600	6,822,391	100,766	—	—	—	—	6,923,157
Claims incurred								
Gross	R1610	15,374,630	12,598	—	—	—	—	15,387,228
Reinsurers' share	R1620	144,133	3,765	—	—	—	—	147,898
Net	R1700	15,230,497	8,833	—	—	—	—	15,239,330
Net expenses incurred	R1900	953,150	54,601	—	—	—	—	1,007,751

1. In line with the reporting requirements only countries, other than the home country, with greater than £100m gross written premiums or greater than 5% of total gross written premiums are reported.

IR.05.03.02 Life income and expenditure - M&G plc (unaudited)

All amounts are in £'000

		Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
Premiums written								
Gross direct business	R0010	5,639,609	717,219	879,418	—	181,087	10,792	7,428,125
Gross reinsurance accepted	R0020	19,682	—	—	—	—	—	19,682
Gross	R0030	5,659,292	717,219	879,418	—	181,087	10,792	7,447,807
Reinsurers' share	R0040	1,663	22,190	416,690	—	59,483	2,306	502,333
Net	R0050	5,657,628	695,029	462,728	—	121,603	8,486	6,945,474
Claims incurred								
Gross direct business	R0110	11,619,524	2,187,037	1,449,379	—	458,698	6,642	15,721,279
Gross reinsurance accepted	R0120	35,566	—	37,715	—	—	—	73,281
Gross	R0130	11,655,090	2,187,037	1,487,094	—	458,698	6,642	15,794,560
Reinsurers' share	R0140	1,404	31,964	406,409	—	36,936	4,034	480,747
Net	R0150	11,653,687	2,155,073	1,080,684	—	421,761	2,608	15,313,813
Expenses incurred								
Gross direct business	R0160	718,189	173,177	112,948	—	21,805	470	1,026,588
Gross reinsurance accepted	R0170	(2,056)	—	—	—	—	—	(2,056)
Gross	R0180	716,133	173,177	112,948	—	21,805	470	1,024,532
Reinsurers' share	R0190	1,812	—	—	—	—	—	1,812
Net	R0200	714,321	173,177	112,948	—	21,805	470	1,022,720
Other expenses	R0300							46,487
Transfers and dividends								
Dividends paid	R0440							468,124

IR.22.01.22 Impact of long term guarantees measures and transitionals - M&G plc

All amounts are in £'000

		Amount with Long Term Guarantee measures and transitionals	Impact of the LTG measures and transitionals (Step-by-step approach)			
			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
		£000s	£000s	£000s	£000s	£000s
Technical provisions	R0010	139,193,542	411,068	—	—	1,707,905
Basic own funds	R0020	10,507,581	(122,489)	—	—	(566,825)
Eligible own funds to meet Solvency Capital Requirement	R0050	11,652,791	(122,489)	—	—	(566,825)
Solvency Capital Requirement	R0090	6,944,684	38,286	—	—	2,552,282

IR.23.01.04 Own funds - M&G plc

All amounts are in £'000

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010 £000s	C0020 £000s	C0030 £000s	C0040 £000s	C0050 £000s
Basic own funds						
Ordinary share capital (gross of own shares)	R0010	120,358	120,358		—	
Non-available called but not paid in ordinary share capital at group level	R0020	—	—		—	
Share premium account related to ordinary share capital	R0030	383,482	383,482		—	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	—	—		—	
Subordinated mutual member accounts	R0050	—		—	—	—
Non-available subordinated mutual member accounts at group level	R0060	—		—	—	—
Surplus funds	R0070	8,990,643	8,990,643			
Non-available surplus funds at group level	R0080	—				
Preference shares	R0090	—		—	—	—
Non-available preference shares at group level	R0100	—		—	—	—
Share premium account related to preference shares	R0110	—		—	—	—
Non-available share premium account related to preference shares at group level	R0120	—		—	—	—
Reconciliation reserve	R0130	(2,020,951)	(2,020,951)			
Subordinated liabilities	R0140	2,485,747		—	2,485,747	—
Non-available subordinated liabilities at group level	R0150	—		—	—	—
An amount equal to the value of net deferred tax assets	R0160	548,301				548,301
The amount equal to the value of net deferred tax assets not available at the group level	R0170	—				—
Other items approved by supervisory authority as basic own funds not specified above	R0180	—	—	—	—	—
Non available own funds related to other own funds items approved by supervisory authority	R0190	—	—	—	—	—
Minority interests (if not reported as part of a specific own fund item)	R0200	—	—	—	—	—
Non-available minority interests at group level	R0210	—	—	—	—	—
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	—				
Deductions						
Deductions for participations where there is non-availability of information	R0250	—	—	—	—	—
Deduction for participations included by using D&A when a combination of methods is used	R0260	—	—	—	—	—
Total of non-available own fund items	R0270	—	—	—	—	—
Total deductions	R0280	—	—	—	—	—
Total basic own funds after deductions	R0290	10,507,581	7,473,532		2,485,747	548,301
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	—				

Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	—				
Unpaid and uncalled preference shares callable on demand	R0320	—				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	—				
Letters of credit and guarantees	R0340	—				
Letters of credit and guarantees other	R0350	—				
Supplementary members calls	R0360	—				
Supplementary members calls - other	R0370	—				
Non available ancillary own funds at group level	R0380	—				
Other ancillary own funds	R0390	—				
Total ancillary own funds	R0400	—				
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	R0410	1,011,590	1,011,590	—	—	
Institutions for occupational retirement provision	R0420	—	—	—	—	—
Non regulated entities carrying out financial activities	R0430	133,619	133,619	—	—	
Total own funds of other financial sectors	R0440	1,145,209	1,145,209	—	—	—
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	—	—	—	—	—
Own funds aggregated when using the D&A and a combination of method net of IGT	R0460	—	—	—	—	—
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	10,507,581	7,473,532	—	2,485,747	548,301
Total available own funds to meet the minimum consolidated group SCR	R0530	9,959,280	7,473,532	—	2,485,747	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	10,507,581	7,473,532	—	2,485,747	548,301
Total eligible own funds to meet the minimum consolidated group SCR	R0570	7,795,351	7,473,532	—	321,818	
Consolidated Group SCR	R0590	6,944,684				
Minimum consolidated Group SCR	R0610	1,609,092				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	1.64				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	4.84				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	11,652,791	8,618,742	—	2,485,747	548,301
SCR for entities included with D&A method	R0670	—				
Group SCR	R0680	6,944,684				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	1.68				

Reconciliation reserve		C0060
Excess of assets over liabilities	R0700	14,990,797
Own shares (held directly and indirectly)	R0710	58,340
Foreseeable dividends, distributions and charges	R0720	—
Deductions for participations in financial and credit institutions	R0725	1,145,209
Other basic own fund items	R0730	10,042,785
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	5,765,414
Other non available own funds	R0750	—
Reconciliation reserve	R0760	(2,020,951)

IR.25.04.22 Solvency Capital Requirement - M&G plc (unaudited)

All amounts are in £'000

				C0010
Net of loss-absorbing capacity of technical provisions	Market risk		R0140	**5,310,820**
		Interest rate risk	R0070	936,808
		Equity risk	R0080	2,558,985
		Property risk	R0090	809,415
		Spread risk	R0100	2,326,060
		Concentration risk	R0110	—
		Currency risk	R0120	1,480,029
		Other market risk	R0125	—
		Diversification within market risk	R0130	(2,800,477)
	Counterparty default risk		R0180	**105,160**
		Type 1 exposures	R0150	—
		Type 2 exposures	R0160	—
		Other counterparty risk	R0165	105,160
		Diversification within counterparty default risk	R0170	—
	Life underwriting risk		R0270	**2,022,636**
		Mortality risk	R0190	31,513
		Longevity risk	R0200	2,034,007
		Disability-Morbidity risk	R0210	15,006
		Life-expense risk	R0220	1,243,482
		Revision risk	R0230	—
		Lapse risk	R0240	1,363,045
		Life catastrophe risk	R0250	9,924
		Other life underwriting risk	R0255	—
		Diversification within life underwriting risk	R0260	(2,674,340)
	Total health underwriting risk		R0320	**—**
		Health SLT risk	R0280	—
		Health non SLT risk	R0290	—
		Health catastrophe risk	R0300	—
		Other health underwriting risk	R0305	—
		Diversification within health underwriting risk	R0310	—
	Non-life underwriting risk		R0370	**—**
		Non-life premium and reserve risk (ex catastrophe risk)	R0330	—
		Non-life catastrophe risk	R0340	—
		Lapse risk	R0350	—
		Other non-life underwriting risk	R0355	—
		Diversification within non-life underwriting risk	R0360	—
Intangible asset risk			R0400	—
Operational and other risks			R0430	**2,689,677**
	Operational risk		R0422	2,689,677
	Other risks		R0424	—
Total before all diversification			R0432	**15,603,111**
Total before diversification between risk modules			R0434	**10,128,293**
Diversification between risk modules			R0436	**(2,726,545)**
Total after diversification			R0438	**7,401,748**

IR.25.04.22 Solvency Capital Requirement - M&G plc (unaudited)

All amounts are in £'000

<table>
<tr><th colspan="3"></th><th></th><th>C0100
£000s</th></tr>
<tr><td colspan="3">Loss-absorbing capacity of technical provisions</td><td>R0440</td><td>—</td></tr>
<tr><td colspan="3">Loss-absorbing capacity of deferred taxes</td><td>R0450</td><td>(38,382)</td></tr>
<tr><td colspan="3">Other adjustments</td><td>R0455</td><td>(965,795)</td></tr>
<tr><td colspan="3">Solvency capital requirement including undisclosed capital add-on</td><td>R0460</td><td>6,397,571</td></tr>
<tr><td colspan="3">Disclosed capital add-on - excluding residual model limitation</td><td>R0472</td><td>—</td></tr>
<tr><td colspan="3">Disclosed capital add-on - residual model limitation</td><td>R0474</td><td>—</td></tr>
<tr><td colspan="3">Solvency capital requirement including capital add-on</td><td>R0480</td><td>6,397,571</td></tr>
<tr><td colspan="3">Biting interest rate scenario</td><td>R0490</td><td>Increase</td></tr>
<tr><td colspan="3">Biting life lapse scenario</td><td>R0495</td><td></td></tr>
<tr><td rowspan="6">Information on other entities</td><td rowspan="4">Capital requirement for other financial sectors (Non-insurance capital requirements)</td><td></td><td>R0500</td><td>547,113</td></tr>
<tr><td>Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies</td><td>R0510</td><td>494,096</td></tr>
<tr><td>Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions</td><td>R0520</td><td>—</td></tr>
<tr><td>Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities</td><td>R0530</td><td>53,016</td></tr>
<tr><td colspan="2">Capital requirement for non-controlled participation requirements</td><td>R0540</td><td>—</td></tr>
<tr><td colspan="2">Capital requirement for residual undertakings</td><td>R0550</td><td>—</td></tr>
<tr><td rowspan="3">Overall SCR</td><td colspan="2">Solvency capital requirement (consolidation method)</td><td>R0555</td><td>6,944,684</td></tr>
<tr><td colspan="2">SCR for undertakings included via D and A</td><td>R0560</td><td></td></tr>
<tr><td colspan="2">SCR for sub-groups included via D and A</td><td>R0565</td><td>—</td></tr>
<tr><td colspan="3">Solvency capital requirement</td><td>R0570</td><td>6,944,684</td></tr>
</table>

IR.32.01.22 Undertakings in the scope of the group - M&G plc

							Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
Identification code and type of code of the undertaking	Country	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
C0020	C0010	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
254900TWUJUQ44TQJY84GB50397	GB	Active Growth Logistics Partnership LP	99 - Other	LP	2 - Non-mutual		50%	50%	50%		2 - Significant	50%	1 - Included in the scope		3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50396	GB	AGLP GP Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		50%	50%	50%		1 - Dominant	50%	1 - Included in the scope		1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB50235	US	Aldwych LP	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB50287	GB	Aqua GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50415	GB	BauMont Co-Invest General Partner Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50409	GB	BauMont Core Plus General Partner One LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
984500B6A4C498AF36118	LU	BauMont General Partner S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	65%	65%	65%	1 - Dominant	65%	1 - Included in the scope	4 - Method 1: Sectoral rules
984500B6A4C48AF36118	LU	BauMont General Partner Two S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50408	GB	BauMont Real Estate Capital Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	65%	65%	65%	1 - Dominant	65%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84FR50412	FR	BauMont Real Estate France SAS	8 - Credit institution, investment firm and financial institution	SAS	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
9845008872D89BA98E14	LU	BauMont Real Estate Two SCSp (Luxembourg) SICAV-RAIF	99 - Other	RAIF	2 - Non-mutual		44%	44%	44%	2 - Significant	44%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84JE50394	JE	Belside Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation

254900TWUJUQ44TQJY84GB50395	GB	Bluewater REIT Limited	99 - Other	Ltd	2 - Non-mutual		25%	25%	25%	2 - Significant	25%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50414	GB	BREO Neptune GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB20096	GB	BWAT Retail Nominee (1) Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		50%	50%	50%	2 - Significant	50%	1 - Included in the scope	2 - Method 1: Proportional consolidation
254900TWUJUQ44TQJY84GB20097	GB	BWAT Retail Nominee (2) Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		50%	50%	50%	2 - Significant	50%	1 - Included in the scope	2 - Method 1: Proportional consolidation
213800XWJKMTGW5FFF24	JE	Canada Property (Trustee) No 1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800JPPWE5YGH42O41	GB	Canada Property Holdings Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50361	GB	Capacity (Dartford) Management Company Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84JE20081	JE	Carraway Guildford (Nominee A) Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84JE20082	JE	Carraway Guildford (Nominee B) Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
2138006UA6CYBYSPN279	GB	Carraway Guildford General Partner Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
549300ZB0ISLCZDBQ738	GB	Carraway Guildford Limited Partnership	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation

254900TWUJUQ44TQJY84GB50348	GB	Cathedral Approach Estate Management Company Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	50%	50%	50%		1 - Dominant	50%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84CA10016	CA	CJPT Real Estate Inc.	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Inc	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84CA10017	CA	CJPT Real Estate No. 1 Trust	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Trust	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84CA10018	CA	CJPT Real Estate No. 2 Trust	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Trust	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB50336	GB	CONDOR F3 GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800SHEYQY77ZZVI11	GB	Continuum (Financial Services) LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB20098	GB	Cribbs Causeway JV Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB20099	GB	Cribbs Causeway Merchants Association Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		20%	20%	20%		1 - Dominant	20%	1 - Included in the scope		1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB20086	GB	Cribbs Mall Nominee (1) Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB50419	GB	Cribbs Mall Nominee (2) Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		1 - Method 1: Full consolidation
549300ERRI66TZ82XO89	IE	Debt Investments Opportunities IV	99 - Other	DAC	2 - Non-mutual		25%	25%	25%		2 - Significant	25%	1 - Included in the scope		3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50143	GB	Digital Infrastructure Investment Partners GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	65%	65%	65%		1 - Dominant	65%	1 - Included in the scope		4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50144	GB	Digital Infrastructure Investment Partners GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50145	GB	Digital Infrastructure Investment Partners SLP GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50146	GB	Digital Infrastructure Investment Partners SLP GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50147	GB	Digital Infrastructure Investment Partners SLP GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50328	GB	Dudok GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50345	GB	Dudok GP1 Ltd	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50329	GB	Dudok GP2 Ltd	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJU Q44TQJY84LU 60016	LU	Eastspring Investments SICAV-FIS Africa Equity Fund	99 - Other	SICAV-FIS	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
213800OCGUP J7PBNHX53	GB	Edger Investments Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJU Q44TQJY84GB 20135	GB	EF IV Schoolhill GP Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJU Q44TQJY84LU 50248	IT	Elle 14 S. r.l.	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Sarl	2 - Non-mutual		50%	50%	50%		1 - Dominant	50%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJU Q44TQJY84GB 50155	GB	Embankment GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJU Q44TQJY84GB 50156	GB	Embankment Nominee 1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50157	GB	Embankment Nominee 2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50349	LU	EUREV CI GP S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84US20091	US	Fashion Square ECO LP	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		50%	50%	50%		1 - Dominant	50%	1 - Included in the scope		1 - Method 1: Full consolidation
549300G2MFQ6ONSJ0W66	IE	Folios III Designated Activity Company	99 - Other	DAC	2 - Non-mutual		49%	49%	49%		1 - Dominant	49%	1 - Included in the scope		3 - Method 1: Adjusted equity method
549300ZHKEZLWLH2E469	IE	Folios IV Designated Activity Company	99 - Other	DAC	2 - Non-mutual		65%	65%	65%		1 - Dominant	65%	1 - Included in the scope		3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB20134	GB	Fort Kinnaird GP Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		50%	50%	50%		2 - Significant	50%	1 - Included in the scope		2 - Method 1: Proportional consolidation
254900TWUJUQ44TQJY84GB10015	GB	Fort Kinnaird Limited Partnership	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		50%	50%	50%		2 - Significant	50%	1 - Included in the scope		2 - Method 1: Proportional consolidation

549300KNNBB CZ5TI4093	GB	Foudry Properties Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		50%	50%	50%	2 - Significant	50%	1 - Included in the scope	2 - Method 1: Proportional consolidation
2138007FBAW NLE1HNA54	GB	Fundsdirect ISA Nominees Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
213800XQZAR YTKRCCL88	GB	Fundsdirect Nominees Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJU Q44TQJY84GB 50118	GB	Genny GP 1 LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJU Q44TQJY84GB 50117	GB	Genny GP 2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJU Q44TQJY84GB 50107	GB	Genny GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJU Q44TQJY84GB 50163	GB	George Digital GP 1 LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50160	GB	George Digital GP 2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50159	GB	George Digital GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800YQHBRCIZKMPL71	GB	GGE GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800AA3IMC1XBN3X71	GB	Global Futures and Options Holdings Limited	99 - Other	Ltd	2 - Non-mutual	Financial Conduct Authority	23%	23%	23%	2 - Significant	23%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50148	GB	Green GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84CA50286	CA	GTA W21 GP Inc.	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Inc	2 - Non-mutual		50%	50%	50%	1 - Dominant	50%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84CA50343	CA	GTA W21 Inc.	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Inc	2 - Non-mutual		50%	50%	50%	1 - Dominant	50%	1 - Included in the scope	1 - Method 1: Full consolidation

254900TWUJUQ44TQJY84CA50287	CA	GTA W21 LP	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		90%	90%	90%		1 - Dominant	90%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84US20151	US	HCR Canary Fund, L.P.	99 - Other	LP	2 - Non-mutual		99%	99%	99%		1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50350	GB	Highcross Leicester (GP) Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	50%	50%	50%		1 - Dominant	50%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50254	GB	ICP (Finch) GP 1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50255	GB	ICP (Finch) GP 2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50253	GB	ICP (Finch) GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800TMTEJ2B9Y8SL32	GB	IFDL Personal Pensions Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method

254900TWUJUQ44TQJY84GB50122	GB	Infracapital (AIRI) GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50158	GB	Infracapital (Belmond) GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50187	GB	Infracapital (Churchill) GP 1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50188	GB	Infracapital (Churchill) GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800ORMGBX88UTID14	GB	Infracapital (GC) GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50189	GB	Infracapital (Gigaclear) GP 1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50190	GB	Infracapital (Gigaclear) GP 2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50191	GB	Infracapital (Gigaclear) GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50119	GB	Infracapital (IT PPP) GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50192	GB	Infracapital (Leo) GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50208	GB	Infracapital (Novos) GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50123	GB	Infracapital (Sense) GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800I6MY8I5RZE3H33	GB	Infracapital (TLSB) GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800RS1K1ALXHQSM37	GB	Infracapital DF II GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

213800G4AW9 FIOTNDW05	GB	Infracapital DF II Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800HCVFJ DNNWBJV60	GB	Infracapital Employee Feeder GP 1 LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
2138002RFR4B TEF7YU47	GB	Infracapital Employee Feeder GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800P1OWQ BRFI24Y37	GB	Infracapital F1 GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
2138001NDC2 CXRVBQK60	GB	Infracapital F2 GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
2138005WNCQ J92OOSA81	GB	Infracapital F2 GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800OB4PR 94BXKJ236	GB	Infracapital GP 1 LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

213800JRZM72 UGV6CI51	GB	Infracapital GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJU Q44TQJY84GB 50167	GB	Infracapital Greenfield DF GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJU Q44TQJY84GB 50142	GB	Infracapital Greenfield Partners 1 SLP GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJU Q44TQJY84GB 50150	GB	Infracapital Greenfield Partners 1 SLP GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJU Q44TQJY84GB 50203	GB	Infracapital Greenfield Partners I Employee Feeder LP	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual	Financial Conduct Authority	76%	76%	76%	1 - Dominant	76%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJU Q44TQJY84GB 50034	GB	Infracapital Greenfield Partners I GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
549300WMS3 GJ41QCBH92	GB	Infracapital Greenfield Partners I LP	99 - Other	LP	2 - Non-mutual		22%	22%	22%	1 - Dominant	22%	1 - Included in the scope	3 - Method 1: Adjusted equity method

254900TWUJUQ44TQJY84GB50149	GB	Infracapital Greenfield Partners I SLP EF GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50204	GB	Infracapital Greenfield Partners I SLP LP	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual	Financial Conduct Authority	36%	36%	36%	1 - Dominant	36%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50205	GB	Infracapital Greenfield Partners I SLP2 LP	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50161	GB	Infracapital Greenfield Partners I Subholdings GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50209	LU	Infracapital Greenfield Partners II GP S.à r.l	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50220	GB	Infracapital Greenfield Partners II Subholdings (Euro) GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50221	GB	Infracapital Greenfield Partners II Subholdings (Sterling) GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50210	GB	Infracapital Greenfield Partners II Subholdings GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50211	GB	Infracapital Greenfield Partners II Subholdings GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
549300Y26HER4GS3N207	GB	Infracapital Partners II LP	99 - Other	LP	2 - Non-mutual		26%	26%	26%	1 - Dominant	26%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50162	GB	Infracapital Partners II Subholdings GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50152	LU	Infracapital Partners III GP S.à r.l	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50193	GB	Infracapital Partners III Subholdings (Euro) GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50194	GB	Infracapital Partners III Subholdings (Sterling) GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50195	GB	Infracapital Partners III Subholdings GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50196	GB	Infracapital Partners III Subholdings GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
2549005TUQO5B5V5QC53	LU	Infracapital Partners IV G.P S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
2549004RFSBPYJV8Y653	LU	Infracapital Partners IV SCSp	99 - Other	SCSP	2 - Non-mutual		51%	51%	51%	1 - Dominant	51%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50294	GB	Infracapital Partners IV Subholdings GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50292	GB	Infracapital Partners IV Subholdings GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50291	GB	Infracapital Partners IV Subholdings GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50293	GB	Infracapital Partners IV Subholdings Nominee Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900B8ISV6DMC3FI58	GB	Infracapital Partners IV Subholdings SLP LP	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
5493007NCUF32CEV5206	GB	Infracapital Partners LP	99 - Other	LP	2 - Non-mutual		33%	33%	33%	1 - Dominant	33%	1 - Included in the scope	3 - Method 1: Adjusted equity method
213800DJO6UH75ALMK76	GB	Infracapital SLP II LP	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual	Financial Conduct Authority	40%	40%	40%	1 - Dominant	40%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800487VRYDWHTPP07	GB	Infracapital SLP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
2138007725YD65U15F53	GB	Innisfree M&G PPP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	35%	35%	35%	1 - Dominant	35%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800NMZJ4ZRQQFID11	GB	Investment Funds Direct Group Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
213800NZUBPU84ODP247	GB	Investment Funds Direct Holdings Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method

2138008K7KV OA2SVGD38	GB	Investment Funds Direct Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJU Q44TQJY84GB 50331	GB	KESTREL F4 GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJU Q44TQJY84KR 60030	KR	LB Professional Investors Private Real Estate Fund No. 10 (Centropolis)	99 - Other	REF	2 - Non-mutual		34%	34%	34%	2 - Significant	34%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJU Q44TQJY84JE 20146	JE	Leadenhall Unit Trust	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	UT	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
5493006LDY5I 4K1U7Y37	IE	Lion Credit Opportunity Fund plc - Credit Opportunity Fund XV	99 - Other	plc	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900KOLPR MSRFCWB20	IE	Lion Credit Opportunity Fund PLC - M&G SRT Fund II	99 - Other	plc	2 - Non-mutual		37%	37%	37%	1 - Dominant	37%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJU Q44TQJY84GB 50297	GB	London Fenchurch Employee Feeder F4 SP LP	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50288	GB	London Fenchurch F4 Employee Feeder SP GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%		100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50289	GB	London Fenchurch GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%		100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50290	GB	London Fenchurch GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%		100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50296	GB	London Fenchurch SLP LP	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual	Financial Conduct Authority	100%	100%		100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50218	GB	London Green Investments II SLP GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%		100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50219	GB	London Green Investments II SLP GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%		100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50222	GB	London Green Investments II SLP1 Employee Feeder GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%		100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50212	GB	London Green Investments II SLP2 GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50353	GB	London Green Investments SLP GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50354	GB	London Green Investments SLP GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50169	GB	London Stone Investments F3 Employee Feeder GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50170	GB	London Stone Investments F3 I Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50171	GB	London Stone Investments F3 II Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50168	GB	London Stone Investments F3 SP GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50387	GB	London Fenchurch F4 Employee Feeder SP GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900FSCV78S7OL3G66	LU	Luxembourg Specialist Investment Funds (2) FCP - M&G Private Equity Opportunities Fund	99 - Other	FCP	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900O4W6DJTZP18288	LU	Luxembourg Specialist Investment Funds (2) FCP - M&G Real Assets Fund	99 - Other	FCP	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900CDDVFXOR4ATY88	GB	M&G (ACS) BlackRock Japan Equity Fund	99 - Other	ACS	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
2549008QAICTALSF5N32	GB	M&G (ACS) BlackRock UK All Share Equity Fund	99 - Other	ACS	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900JWBJDQOJNL7H90	GB	M&G (ACS) Blackrock US Equity (2) Fund	99 - Other	ACS	2 - Non-mutual		99%	99%	99%	1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900OOA1XDSVUR6K20	GB	M&G (ACS) BlackRock US Equity Fund	99 - Other	ACS	2 - Non-mutual		99%	99%	99%	1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900S3QVE6CT74YF21	GB	M&G (ACS) China Fund	99 - Other	ACS	2 - Non-mutual		98%	98%	98%	1 - Dominant	98%	1 - Included in the scope	3 - Method 1: Adjusted equity method

254900M0KXL 6OCKU1D38	GB	M&G (ACS) Earnest Partners US Small Cap Value Fund	99 - Other	ACS	2 - Non-mutual		99%	99%	99%		1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900K27UH PBHVEQN67	GB	M&G (ACS) Granahan US Small Cap Growth Fund	99 - Other	ACS	2 - Non-mutual		99%	99%	99%		1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900OO23C S49OGK760	GB	M&G (ACS) Japan Equity Fund	99 - Other	ACS	2 - Non-mutual		99%	99%	99%		1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900OQ8IO BOGWSAF92	GB	M&G (ACS) Japan Smaller Companies Fund	99 - Other	ACS	2 - Non-mutual		98%	98%	98%		1 - Dominant	98%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900T65AK B1RV1IM24	GB	M&G (ACS) Manulife US Equity Fund	99 - Other	ACS	2 - Non-mutual		99%	99%	99%		1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
2549003T04P8 3CEC3R72	GB	M&G (ACS) Matthews China Equity Fund	99 - Other	ACS	2 - Non-mutual		98%	98%	98%		1 - Dominant	98%	1 - Included in the scope	3 - Method 1: Adjusted equity method
25900WKGCLL NKP9Y804	GB	M&G (ACS) MFS US Large Cap Equity Fund	99 - Other	ACS	2 - Non-mutual		99%	99%	99%		1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900BIHCK CYLH8R136	GB	M&G (ACS) UK Listed Equity Fund	99 - Other	ACS	2 - Non-mutual		97%	97%	97%		1 - Dominant	97%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900SJP8A EJWQOHR04	GB	M&G (ACS) UK Listed Mid Cap Equity Fund	99 - Other	ACS	2 - Non-mutual		99%	99%	99%		1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900OFLZN ZHDM0BQ98	GB	M&G (ACS) Value Partners China Equity Fund	99 - Other	ACS	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method

254900WKGCL LNKP9Y804	GB	M&G (ACS) William Blair US Large Cap Equity Fund	99 - Other	ACS	2 - Non-mutual		99%	99%	99%	1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
213800BKDGD FPWZ9I567	GG	M&G (Guernsey) Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900536HJ2 48CYAB21	LU	M&G (Lux) Asian Bond Allocation EUR Fund	99 - Other	SICAV	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900G6MBS CKAAFCQ03	LU	M&G (Lux) Asian Bond Allocation GBP Fund	99 - Other	SICAV	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
2549006H6VV PD4XXSQ61	LU	M&G (Lux) Asian Bond Allocation USD Fund	99 - Other	SICAV	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900OTDER ZX24Y9K59	LU	M&G (Lux) Blackrock Europe ex UK Equity Fund	99 - Other	FCP	2 - Non-mutual		99%	99%	99%	1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJU Q44TQJY84LU 50325	LU	M&G (Lux) Emerging Markets Corporate ESG Bond Fund	8 - Credit institution, investment firm and financial institution	SICAV	2 - Non-mutual	Financial Conduct Authority	57%	57%	57%	1 - Dominant	57%	1 - Included in the scope	4 - Method 1: Sectoral rules
2549000GWIS XVMHE5S26	LU	M&G (Lux) Europe ex UK Equity fund	99 - Other	SICAV	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900VWNG K5PEWW3D62	LU	M&G (Lux) Global Enhanced Equity Premia Fund	8 - Credit institution, investment firm and financial institution	SICAV	2 - Non-mutual	Financial Conduct Authority	99%	99%	99%	1 - Dominant	99%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900DW7O X08JEEMU71	LU	M&G (Lux) Investment Funds 1 - M&G (Lux) Better Health Solutions Fund	99 - Other	SICAV	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900YIO1LV TNZ3KH90	LU	M&G (Lux) Investment Funds 1 - M&G (Lux) Diversity and Inclusion Fund	99 - Other	SICAV	2 - Non-mutual		68%	68%	68%		1 - Dominant	68%	1 - Included in the scope	3 - Method 1: Adjusted equity method
549300VL49S AAQZU3D08	LU	M&G (Lux) Investment Funds 1 - M&G (Lux) Emerging Markets Bond Fund	99 - Other	SICAV	2 - Non-mutual		63%	63%	63%		1 - Dominant	63%	1 - Included in the scope	3 - Method 1: Adjusted equity method
222100MMYOB 270UKJT08	LU	M&G (Lux) Investment Funds 1 - M&G (Lux) Emerging Markets Hard Currency Bond Fund	99 - Other	SICAV	2 - Non-mutual		85%	85%	85%		1 - Dominant	85%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TXGEM G2PHLBX89	LU	M&G (Lux) Investment Funds 1 - M&G (Lux) Nature and Biodiversity Solutions Fund	99 - Other	SICAV	2 - Non-mutual		96%	96%	96%		2 - Significant	96%	1 - Included in the scope	3 - Method 1: Adjusted equity method

2549007K6TQ BRKISX148	LU	M&G (Lux) Investment Funds 1 - M&G (Lux) Sustainable Emerging Markets Corporate Bond Fund	99 - Other	SICAV	2 - Non-mutual		21%	21%	21%	2 - Significant	21%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900V2TFUL R3C7HN68	LU	M&G (Lux) Investment Funds 1 - M&G (Lux) US Corporate Bond Fund	99 - Other	SICAV	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900SHYE2 QO55Q4Z34	LU	M&G (Lux) Investment Funds 1 - M&G (Lux) US High Yield Bond Fund	99 - Other	SICAV	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJU Q44TQJY84LU 50249	LU	M&G (Lux) Managed Cautious (Euro) Fund	99 - Other	FCP	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJU Q44TQJY84LU 50250	LU	M&G (Lux) Managed Growth (Euro) Fund	99 - Other	FCP	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900YR0MK YVD5GWK75	LU	M&G (Lux) Pan European Smaller Comp fund	99 - Other	SICAV	2 - Non-mutual		98%	98%	98%	1 - Dominant	98%	1 - Included in the scope	3 - Method 1: Adjusted equity method
2549008T0GIA FCGXB549	LU	M&G (Lux) Reserved Investment Fund (2), SCA SICAV-RAIF	8 - Credit institution, investment firm and financial institution	RAIF	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84LU50230	LU	M&G (Lux) Reserved Investment Funds (2) GP S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
2549008EAXUXHI20FY34	LU	M&G (Lux) Sterling Liquidity Fund	99 - Other	FCP	2 - Non-mutual		81%	81%	81%	1 - Dominant	81%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900JKCO00UZ0A2X81	LU	M&G (Lux) Sustainable Optimal Income Bond Fund	8 - Credit institution, investment firm and financial institution	SICAV	2 - Non-mutual	Financial Conduct Authority	98%	98%	98%	1 - Dominant	98%	1 - Included in the scope	4 - Method 1: Sectoral rules
2549009CK1I54I5K4617	LU	M&G (Lux) Investment Funds 1 - M&G (Lux) Global Artificial Intelligence Fund	99 - Other	SICAV	2 - Non-mutual		97%	97%	97%	1 - Dominant	97%	1 - Included in the scope	3 - Method 1: Adjusted equity method
549300WMAIBJREZO4C43	IE	M&G (South Africa) Global Funds ICAV - M&G Worldwide Managed Fund	99 - Other	ICAV	2 - Non-mutual		22%	22%	22%	2 - Significant	22%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84LU50233	LU	M&G Alternatives CV SCSp	8 - Credit institution, investment firm and financial institution	SCSP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50391	GB	M&G Alternatives GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84LU50231	LU	M&G Alternatives GP S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50393	GB	M&G Alternatives GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50392	GB	M&G Alternatives GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
549300ZIIULAZVZYPH61	GB	M&G Alternatives Investment Management Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
549300GTB435DIFOTP40	LU	M&G Asia Property Fund	99 - Other	SICAV-FIS	2 - Non-mutual		43%	43%	43%	1 - Dominant	43%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50400	GB	M&G Black Seed GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900PI3TBTF3ZMF252	GB	M&G BlackRock Canada Equity Fund	99 - Other	ACS	2 - Non-mutual		98%	98%	98%	1 - Dominant	98%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900LEWBRJPCXWYE45	GB	M&G BlackRock UK 200 Equity Fund	99 - Other	ACS	2 - Non-mutual		99%	99%	99%	1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method

254900OIH9QJ 5KEZ5K26	LU	M&G Catalyst Capital Fund	99 - Other	RAIF	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900QD8X6 UPZZHK340	LU	M&G Catalyst Credit Fund	99 - Other	RAIF	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJU Q44TQJY84GB 50285	GB	M&G Catalyst Sustainable Agriculture GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900757GG D78Z6UQ88	LU	M&G Corporate Credit Opportunities ELTIF	99 - Other	SICAV-FIS	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJU Q44TQJY84GB 50184	GB	M&G Corporate Holdings Limited	7 - Mixed financial holding company as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJU Q44TQJY84GB 50185	GB	M&G Corporate Services Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
549300E9W63 X1E5A3N24	GB	M&G Credit Income Investment Trust plc	99 - Other	plc	2 - Non-mutual		22%	22%	22%		2 - Significant	22%	1 - Included in the scope	3 - Method 1: Adjusted equity method

2549005SE8FSL4SH8L25	GB	M&G Emerging Markets Monthly Income Fund	8 - Credit institution, investment firm and financial institution	OEIC	2 - Non-mutual	Financial Conduct Authority	93%	93%	93%	1 - Dominant	93%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50383	LU	M&G European Living Property Fund (GP) S.à.r.l	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900JVCN2X7KUEZE07	LU	M&G European Living Property Fund SCSP, SICAV-RAIF	99 - Other	RAIF	2 - Non-mutual		45%	45%	45%	1 - Dominant	45%	1 - Included in the scope	3 - Method 1: Adjusted equity method
549300FLN5QWVQGRGQ35	LU	M&G European Property Fund SICAV-FIS	99 - Other	SICAV-FIS	2 - Non-mutual		29%	29%	29%	1 - Dominant	29%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84LU50337	LU	M&G European Secured Property Income Fund FCP-FIS	8 - Credit institution, investment firm and financial institution	SICAV-FIS	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50407	LU	M&G European Value Add Hold Co S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50401	LU	M&G European Value Add Partnership SCSp	8 - Credit institution, investment firm and financial institution	SCSP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

213800TFNC2ZYHSGTN11	GB	M&G FA Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
5493001PKI55QLQ0ZH39	GB	M&G Feeder of Property Portfolio	99 - Other	OEIC	2 - Non-mutual		69%	69%	69%		1 - Dominant	69%	1 - Included in the scope	3 - Method 1: Adjusted equity method
549300FZ6A1KPBVDIL49	GB	M&G Financial Services Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50267	GB	M&G Fitzrovia GP Limited	99 - Other	Ltd	2 - Non-mutual		50%	50%	50%		1 - Dominant	50%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50266	GB	M&G Fitzrovia Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50270	GB	M&G Fitzrovia Limited Partnership	99 - Other	LP	2 - Non-mutual		50%	50%	50%		1 - Dominant	50%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50268	GB	M&G Fitzrovia Nominee 1 Limited	99 - Other	Ltd	2 - Non-mutual		50%	50%	50%		1 - Dominant	50%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50269	GB	M&G Fitzrovia Nominee 2 Limited	99 - Other	Ltd	2 - Non-mutual		50%	50%	50%		1 - Dominant	50%	1 - Included in the scope	3 - Method 1: Adjusted equity method
213800R8L6E3XPVVFL89	GB	M&G Founders 1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

2549004510KX 3VCEI820	GB	M&G Funds (1) Artisan Part Emerging Market Debt	99 - Other	ACS	2 - Non-mutual	98%	98%	98%	1 - Dominant	98%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900L5KJ92 PYY0CB27	GB	M&G Funds (1) Asia Pacific (ex Japan) Equity Fund	99 - Other	OEIC	2 - Non-mutual	96%	96%	96%	1 - Dominant	96%	1 - Included in the scope	3 - Method 1: Adjusted equity method
2549001QJVU FC9H4LP66	GB	M&G Funds (1) BlackRock Asia Pacific (ex Japan) Equity Fund	99 - Other	OEIC	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900EFNPIQ CEMO1Q61	GB	M&G Funds (1) BlackRock Emerging Markets Equity Fund	99 - Other	OEIC	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
2549005YWD3 3Y98PX989	GB	M&G Funds (1) Franklin Temp India Equity Fund	99 - Other	ACS	2 - Non-mutual	98%	98%	98%	1 - Dominant	98%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900EHZTS ASQWHO955	GB	M&G Funds (1) GSAM Global Emerging Market Equity Fund	99 - Other	OEIC	2 - Non-mutual	99%	99%	99%	1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900B6Y69 B4PWJAI57	GB	M&G Funds (1) India Equity Fund	99 - Other	ACS	2 - Non-mutual	74%	74%	74%	1 - Dominant	74%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900FPI22Z PILZUO21	GB	M&G Funds (1) Lazard Emerging Market Debt Fund	99 - Other	ACS	2 - Non-mutual	97%	97%	97%	1 - Dominant	97%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900ISIO65 WHHWL536	GB	M&G Funds (1) Lazard Global Emerging Markets Equity Fund	99 - Other	OEIC	2 - Non-mutual	99%	99%	99%	1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method

254900HGEBT N1EYLMJ26	GB	M&G Funds (1) Manulife China Bond Fund	99 - Other	ACS	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900UERFU FB76JXW26	GB	M&G Funds (1) MFS Global Emerging Markets Equity Fund	99 - Other	OEIC	2 - Non-mutual		99%	99%	99%		1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
2549007YZKB GML6UDQ05	GB	M&G Funds (1) Sterling Investment Grade Corporate Bond Fund	99 - Other	OEIC	2 - Non-mutual		85%	85%	85%		1 - Dominant	85%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900EYWG5 P6H3MCM64	GB	M&G Funds (1) UK Gilt	99 - Other	ACS	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900NAETY K30ZM7T27	GB	M&G Funds (1) US Corporate Bond Fund	99 - Other	OEIC	2 - Non-mutual		99%	99%	99%		1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900C4NW V8L6AX5D58	GB	M&G Funds (1) US Short Duration Corporate Bond Fund	99 - Other	OEIC	2 - Non-mutual		88%	88%	88%		1 - Dominant	88%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900EMORR QVUDFLG70	GB	M&G Funds (1) Wellington Impact Bond Fund	99 - Other	OEIC	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJU Q44TQJY84KY 50049	KY	M&G General Partner Inc.	8 - Credit institution, investment firm and financial institution	Inc	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

5493006RTXZTNY4TOY32	IN	M&G Global Services Private Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
213800OC9AO58CFCB338	GB	M&G Group Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GG50206	GG	M&G Group PCC Limited	2 - Non-life insurance undertaking	Ltd	2 - Non-mutual	Guernsey Financial Services Commission	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB40021	GB	M&G Group Regulated Entity Holding Company Limited	5 - Insurance holding company as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
213800KJZSL1C19HEC43	GB	M&G IMPPP 1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50052	GB	M&G International Investments Nominees Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800W2WT4VU6ZYLQ18	CH	M&G International Investments Switzerland AG	8 - Credit institution, investment firm and financial institution	AG	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

549300NV1RRMFMIJYU42	GB	M&G Investment Funds (1) - M&G European Sustain Paris Aligned Fund	99 - Other	OEIC	2 - Non-mutual	55%	55%	55%	1 - Dominant	55%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900JSRW0JJ2NQ0E25	GB	M&G Investment Funds (10) - M&G China Fund	99 - Other	OEIC	2 - Non-mutual	95%	95%	95%	1 - Dominant	95%	1 - Included in the scope	3 - Method 1: Adjusted equity method
2549000GR6050EQ0OF42	GB	M&G Investment Funds (10) - M&G Global AI Themes Fund	99 - Other	OEIC	2 - Non-mutual	90%	90%	90%	1 - Dominant	90%	1 - Included in the scope	3 - Method 1: Adjusted equity method
549300441KA9G1F3EG24	GB	M&G Investment Funds (10) - M&G Positive Impact Fund	99 - Other	OEIC	2 - Non-mutual	32%	32%	32%	1 - Dominant	32%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900IJVXMO64X82K96	GB	M&G Investment Funds (10) - M&G Sustainable Global High Yield Bond Fund	99 - Other	OEIC	2 - Non-mutual	61%	61%	61%	1 - Dominant	61%	1 - Included in the scope	3 - Method 1: Adjusted equity method
549300JXS02SDDJZHX04	GB	M&G Investment Funds (2) - M&G Gilt & Fixed Interest Income Fund	99 - Other	OEIC	2 - Non-mutual	52%	52%	52%	1 - Dominant	52%	1 - Included in the scope	3 - Method 1: Adjusted equity method
549300QWW7Y8O6HSZO98	GB	M&G Investment Funds (2) - M&G Global High Yield Bond	99 - Other	OEIC	2 - Non-mutual	50%	50%	50%	1 - Dominant	50%	1 - Included in the scope	3 - Method 1: Adjusted equity method

549300KBTRW WDKVVOJ54	GB	M&G Investment Funds (3) - M&G Dividend Fund	99 - Other	OEIC	2 - Non-mutual		48%	48%	48%	1 - Dominant	48%	1 - Included in the scope	3 - Method 1: Adjusted equity method
EUD52IXSE428 CCGU5C28	GB	M&G Investment Funds (4) - M&G Managed Growth Fund	99 - Other	OEIC	2 - Non-mutual		21%	21%	21%	2 - Significant	21%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900D9TEA 74KST4Q51	GB	M&G Investment Funds (4) - M&G Sustainable Multi Asset Balanced Fund	99 - Other	OEIC	2 - Non-mutual	Financial Conduct Authority	31%	31%	31%	2 - Significant	31%	1 - Included in the scope	3 - Method 1: Adjusted equity method
2549003V8PM 4BMYMKF91	GB	M&G Investment Funds (4) - M&G Sustainable Multi Asset Cautious Fund	99 - Other	OEIC	2 - Non-mutual	Financial Conduct Authority	49%	49%	49%	2 - Significant	49%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900ZUHM1 AZFWRQW76	GB	M&G Investment Funds (4) - M&G Sustainable Multi Asset Growth Fund	8 - Credit institution, investment firm and financial institution	OEIC	2 - Non-mutual	Financial Conduct Authority	67%	67%	67%	1 - Dominant	67%	1 - Included in the scope	4 - Method 1: Sectoral rules
549300T4PWV N5LFO1U25	GB	M&G Investment Funds (7) - M&G Global Convertibles Fund	99 - Other	OEIC	2 - Non-mutual		83%	83%	83%	1 - Dominant	83%	1 - Included in the scope	3 - Method 1: Adjusted equity method

BFM4HY1ZHOCH3K3E4934	GB	M&G Investment Management Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84US50197	US	M&G Investments (Americas) Inc.	8 - Credit institution, investment firm and financial institution	Inc	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84AU50198	AU	M&G Investments (Australia) Pty Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800ES49236T3NQN10	HK	M&G Investments (Hong Kong) Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
21380025WDEGTPM9NX11	SG	M&G Investments (Singapore) Pte. Limited	8 - Credit institution, investment firm and financial institution	Pte Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84TW50295	TW	M&G Investments (Taiwan) Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84US50214	US	M&G Investments (USA) Inc	8 - Credit institution, investment firm and financial institution	Inc	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84JP50109	JP	M&G Investments Japan Co., Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800KHFEP1L58PDC25	LU	M&G Luxembourg S.A.	8 - Credit institution, investment firm and financial institution	SA	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800QNOSWGOPB5UV85	GB	M&G Management Services Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800G466CCYQACXV49	GB	M&G Nominees Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84ZA50320	ZA	M&G Pan African Bond Fund	99 - Other	SICAV-FIS	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50177	GB	M&G PFI 2018 GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50178	GB	M&G PFI 2018 GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50179	GB	M&G PFI 2018 GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50138	GB	M&G PFI Carry Partnership 2016 LP	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800E1NPBH4KN1B443	GB	M&G Platform Nominees Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84	GB	M&G plc	5 - Insurance holding company as defined in the Glossary part of the PRA Rulebook	plc	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84LU50411	LU	M&G Private Credit GP S.à.r.l	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
2549009UWYIND0NRX361	LU	M&G Private Credit SCSp SICAV-RAIF	8 - Credit institution, investment firm and financial institution	RAIF	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
549300Y6XORUIOJCN851	GB	M&G Property Portfolio	99 - Other	OEIC	2 - Non-mutual		89%	89%	89%	1 - Dominant	89%	1 - Included in the scope	3 - Method 1: Adjusted equity method

254900TWUJUQ44TQJY84ES50116	ES	M&G RE Espana, 2016, S.L.	8 - Credit institution, investment firm and financial institution	S.L.	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50201	GB	M&G RE UKEV (GP1) LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50207	GB	M&G RE UKEV 1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
549300LJW34WAXTEOA73	GB	M&G RE UKEV 1-A LP	99 - Other	LP	2 - Non-mutual		50%	50%	50%	1 - Dominant	50%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84SG50062	SG	M&G Real Estate Asia Holding Company Pte Limited	8 - Credit institution, investment firm and financial institution	Pte Ltd	2 - Non-mutual	Financial Conduct Authority	67%	67%	67%	1 - Dominant	67%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800FAISWOSU2EQK07	SG	M&G Real Estate Asia PTE Limited	8 - Credit institution, investment firm and financial institution	Pte Ltd	2 - Non-mutual	Financial Conduct Authority	67%	67%	67%	1 - Dominant	67%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900KUEXC0BI6ROR67	LU	M&G Real Estate Debt Carried Interest GP S.à r.l	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50385	LU	M&G Real Estate Debt Fund SCSp, SICAV-RAIF – REDF 8	99 - Other	RAIF	2 - Non-mutual		71%	71%	71%	1 - Dominant	71%	1 - Included in the scope	3 - Method 1: Adjusted equity method

254900TWUJUQ44TQJY84LU50384	LU	M&G Real Estate Debt GP S.à r.l	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84FR50279	FR	M&G Real Estate France SAS	8 - Credit institution, investment firm and financial institution	SAS	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50359	LU	M&G Real Estate Funds GP S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800Z48ASVKSJTGD29	LU	M&G Real Estate Funds Management S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900FM39SFUIKDQ707	LU	M&G Real Estate Funds SCSP, SICAV-RAIF	8 - Credit institution, investment firm and financial institution	RAIF	2 - Non-mutual	Financial Conduct Authority	99%	99%	99%	1 - Dominant	99%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900085ROF5S9KAR40	LU	M&G Real Estate Funds SCSp, SICAV-RAIF - M&G Asia Living Property Fund	99 - Other	SICAV-RAIF	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
213800VTT28ET4O1PV50	JP	M&G Real Estate Japan Co Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	67%	67%	67%	1 - Dominant	67%	1 - Included in the scope	4 - Method 1: Sectoral rules

213800ZFUE19 ABTOJS32	KR	M&G Real Estate Korea Co Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	67%	67%	67%		1 - Dominant	67%	1 - Included in the scope	4 - Method 1: Sectoral rules
2138006D2BQ B3YVJTC36	GB	M&G Real Estate Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
549300780507 A2BMZB54	GB	M&G Real Estate UK Enhanced Value LP	99 - Other	LP	2 - Non-mutual		50%	50%	50%		1 - Dominant	50%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJU Q44TQJY84GB 50172	GB	M&G Real Estate UKEV (GP) LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800PIXU3L ZHV2BH48	GB	M&G RED II Employee Feeder GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800Y7KFRA TZJWC561	GG	M&G RED II GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
2138006PPJJM AIS2CZ55	GB	M&G RED II SLP GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

213800IAVVN6 BAG5IH60	GB	M&G RED III Employee Feeder GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
2138009UE5XK GEEHPU69	GG	M&G RED III GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800Q1F9BI QYP4QU18	GB	M&G RED III SLP GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900JA2LO RVRLJJ587	LU	M&G REDF 7 S.à.r.l	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900NQAH3 8IIUUB673	LU	M&G REDF 8 S.à.r.l	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900BBPR5 99HLKAL18	LU	M&G REDF 9 S.à.r.l	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800EJI6R6 NCE8OL35	GB	M&G RPF GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

213800RPN1JJWLQAHF37	GB	M&G RPF Nominee 1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800CE63B2HUDSOH12	GB	M&G RPF Nominee 2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84ZA50319	ZA	M&G SA Equity Fund	99 - Other	SICAV-FIS	2 - Non-mutual		94%	94%	94%	1 - Dominant	94%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900X724VIR07NKL26	LU	M&G Secure Income S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
5493001JY2KC4SJGF862	GB	M&G Securities Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50200	LU	M&G SFF (CIP GP) S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50199	LU	M&G SFF (GP) S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84LU50402	LU	M&G SFF 2 (CIP GP) S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50403	LU	M&G SFF 2 (GP) S. à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50216	GB	M&G Shared Ownership LP	99 - Other	LP	2 - Non-mutual		48%	48%	48%	1 - Dominant	48%	1 - Included in the scope	3 - Method 1: Adjusted equity method
213800YJG88GK1ZGI781	IE	M&G SIF Management Company (Ireland) Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50363	GB	M&G Social Investment GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50362	GB	M&G Social Investment GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900OFWZJDSTWJXZ02	LU	M&G Specialty Finance Fund 2 GBP SCSp	99 - Other	SCSP	2 - Non-mutual		47%	47%	47%	1 - Dominant	47%	1 - Included in the scope	3 - Method 1: Adjusted equity method
25490069MTXMBQLSZP16	IE	M&G Sustainable Loan Fund Limited	99 - Other	Ltd	2 - Non-mutual		62%	62%	62%	1 - Dominant	62%	1 - Included in the scope	3 - Method 1: Adjusted equity method

213800N48QE 66BJB2G59	GB	M&G Trustee Company Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900DI96BV BQRI6B31	LU	M&G UK Mortgage Income Fund	99 - Other	SCSp	2 - Non-mutual		64%	64%	64%	1 - Dominant	64%	1 - Included in the scope	3 - Method 1: Adjusted equity method
222100N879GX 063S5I68	LU	M&G UK Property Fund FCP-FIS	99 - Other	FCP-FIS	2 - Non-mutual		98%	98%	98%	1 - Dominant	98%	1 - Included in the scope	3 - Method 1: Adjusted equity method
213800YHDS1 MJDDQAY31	GB	M&G UK Property GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJU Q44TQJY84GB 50382	GB	M&G UK Property Limited Partnership	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800YODYX TA14V3G51	GB	M&G UK Property Nominee 1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800CK6NB VYIQNNG81	GB	M&G UK Property Nominee 2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
549300YUFF2 S09Z74W50	LU	M&G UK Residential Property Fund FCP FIS	99 - Other	FCP FIS	2 - Non-mutual		30%	30%	30%	1 - Dominant	30%	1 - Included in the scope	3 - Method 1: Adjusted equity method

254900TWUJUQ44TQJY84GB50358	GB	M&G UK Social Investment GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50175	GB	M&G UKEV (SLP) General Partner LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50174	GB	M&G UKEV (SLP) LP	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual		80%	80%	80%	1 - Dominant	80%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800CIQKFH6G68V891	GB	M&G Wealth Advice Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
213800B75FFDFBLCAC52	GB	M&G Wealth Holding Company Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
213800HB2OKV3RRGOM15	GB	M&G Wealth Investments LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50229	GB	M&G Wealth Solutions Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50340	GB	M&G Black Seed GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50299	GB	M&G Catalyst Sustainable Agriculture GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50283	GB	M&G Catalyst Sustainable Agriculture GP Member No.1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50284	GB	M&G Catalyst Sustainable Agriculture GP Member No.2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50298	GB	M&G Catalyst Sustainable Agriculture LP	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50339	LU	M&G Corporate Credit Opportunities S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50300	LU	M&G European Value Add GP S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
25490060HV3TIPFP0V09	LU	M&G European Value Add Partnership SCSp	99 - Other	SCSp	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method

254900TWUJUQ44TQJY84LU50338	LU	M&G Real Estate Debt Carried Interest GP S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50304	LU	M&G SFF 2 (CIP GP) S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50303	LU	M&G SFF 2 (GP) S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50378	GB	M&G Social Investment GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50381	GB	M&G UK Social Investment InfraCap Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50386	GB	M&G UK Social Investment Partners LP	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB20101	GB	Manchester JV Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		50%	50%	50%	2 - Significant	50%	1 - Included in the scope	2 - Method 1: Proportional consolidation

254900TWUJUQ44TQJY84GB20087	GB	Manchester Nominee (1) Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84ZA50236	ZA	MandG Investment Managers (Pty) Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84NA50237	NA	MandG Investments (Namibia) (Pty) Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	75%	75%	75%	1 - Dominant	75%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84ZA50238	ZA	MandG Investments Life South Africa (RF) Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84ZA50239	ZA	MandG Investments Southern Africa (Pty) Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	50%	50%	50%	1 - Dominant	50%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84NA50240	NA	MandG Investments Unit Trusts (Namibia)Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	75%	75%	75%	1 - Dominant	75%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84ZA50241	ZA	MandG Investments Unit Trusts South Africa (RF) Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50404	GB	Marble SLP LP	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
81560033DE8557604E62	IT	MCF S.r.l.	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Sarl	2 - Non-mutual		50%	50%	50%	1 - Dominant	50%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB50332	GB	Merlin D5 GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900QO09FBZSQYMC96	GB	MEVA UK Propco 1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB20122	GB	Minster Court Estate Management Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		56%	56%	56%	1 - Dominant	56%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB50277	GB	Mole GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50278	GB	Mole GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50310	GB	My Continuum Financial Limited	99 - Other	Ltd	2 - Non-mutual		75%	75%	75%	1 - Dominant	75%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50360	GB	My Continuum Financial Nominee Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50312	GB	My Continuum Wealth Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
549300YWLHYEHTWMO231	US	NAPI REIT, Inc	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Inc	2 - Non-mutual		99%	99%	100%	1 - Dominant	99%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84KY50252	KY	NB Gemini Fund LP	99 - Other	LP	2 - Non-mutual		99%	99%	99%	1 - Dominant	99%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84US20092	US	Old Kingsway LP	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation

254900TWUJUQ44TQJY84GB20103	GB	Optimus Point Management Company Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		52%	52%	52%		1 - Dominant	52%	1 - Included in the scope		1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB50374	GB	Ox GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50330	GB	Ox GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		4 - Method 1: Sectoral rules
213800NMT7KIZI54UZ47	GB	Pacus (UK) Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		3 - Method 1: Adjusted equity method
2138004GW3J6VILQSE49	AU	PAP Trusty Pty Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Pty Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB50256	GB	Pesca GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		4 - Method 1: Sectoral rules

549300E6K3IF R1YO2242	GB	PGDS (UK One) Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJU Q44TQJY84GB 50413	GB	Pilot Peak Capital Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJU Q44TQJY84US 30033	US	PPM America Private Equity Fund III LP	99 - Other	LP	2 - Non-mutual		50%	50%	50%		2 - Significant	50%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJU Q44TQJY84US 30034	US	PPM America Private Equity Fund IV LP	99 - Other	LP	2 - Non-mutual		50%	50%	50%		2 - Significant	50%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJU Q44TQJY84US 30036	US	PPM America Private Equity Fund V LP	99 - Other	LP	2 - Non-mutual		50%	50%	50%		2 - Significant	50%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJU Q44TQJY84US 30060	US	PPM America Private Equity Fund VI LP	99 - Other	LP	2 - Non-mutual		40%	40%	40%		2 - Significant	40%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJU Q44TQJY84US 30079	US	PPM America Private Equity Fund VII LP	99 - Other	LP	2 - Non-mutual		46%	46%	46%		2 - Significant	46%	1 - Included in the scope	3 - Method 1: Adjusted equity method
213800IJ1DJ1A 8SPRW13	GB	PPM Capital (Holdings) Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

2138008EIWH2HN5RNH61	GB	PPM Managers GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800KK1VVI7BVEUZ22	GB	PPM Managers Partnership CI VII (A) LP	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800XHPOMVNJNNRG37	HK	PPM Ventures (Asia) Limited (In liquidation)	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB20110	GB	PPMC First Nominees Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
549300ZWWMEMEK21F447	GB	Property Partners (Two Rivers) limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB40020	GB	Pru Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation

254900TWUJUQ44TQJY84GB40024	GB	Prudence Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
549300GLZGEGEQY0TJ64	GB	Prudential Capital Holding Company Limited	11 - Non-regulated undertaking carrying out financial activities	Ltd	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
CHW8NHK268SFPTV63Z64	GB	Prudential Capital Public Limited Company	11 - Non-regulated undertaking carrying out financial activities	plc	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB20115	GB	Prudential Corporate Pensions Trustee Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
549300I8LYOK91HBX439	GB	Prudential Distribution Limited	99 - Other	Ltd	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
2138008TOJ3P2FHS5Y69	GB	Prudential Equity Release Mortgages Limited	11 - Non-regulated undertaking carrying out financial activities	Ltd	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJU Q44TQJY84GB 40023	GB	Prudential Financial Planning Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
21380029W1Q O8XLI7X06	GB	Prudential Financial Services Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
213800Y2L3QQ S5JAGC68	GB	Prudential GP Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
21380059C3DL SM1MGQ63	GB	Prudential Greenfield GP LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800JN6JC W3GKS5413	GB	Prudential Greenfield GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
21380032Y83D 1GVVRG14	GB	Prudential Greenfield GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
549300DN2BT J8BY6XW35	GB	Prudential Greenfield LP	99 - Other	LP	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method

635400T4W5M RQTBLGQ38	IE	Prudential International Assurance plc	1 - Life insurance undertaking	plc	2 - Non-mutual	Central Bank of Ireland	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
635400Y2PVA BVU9VWJ83	IE	Prudential International Management Services Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
222100Z2QC2T IK1L4G32	LU	Prudential Investment (Luxembourg) 2 S.à.r.l.	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Sarl	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
5493001GSK4 HF84IOB02	GB	Prudential Lifetime Mortgages Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
222100DYHNY VU5OHZ592	LU	Prudential Loan Investments 1 S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJU Q44TQJY84LU 50140	LU	Prudential Loan Investments GP S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
222100I72T0C6 YY58X29	LU	Prudential Loan Investments SCSp	99 - Other	SCSp	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method

549300CWGK2ZW5YDGJ27	GB	Prudential Pensions Limited	1 - Life insurance undertaking	Ltd	2 - Non-mutual	The Prudential Regulation Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
213800LX1ZMH6DNFQ324	PL	Prudential Polska sp. z.o.o	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	zoo	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
213800IIA1AW1VRTPK64	GB	Prudential Portfolio Management Group Limited	11 - Non-regulated undertaking carrying out financial activities	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
2138008ZHAM1AWMXDI41	GB	Prudential Real Estate Investments 1 Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
21380036PITSKICBM891	GB	Prudential Real Estate Investments 2 Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
213800DMFHM9TUERL898	GB	Prudential Real Estate Investments 3 Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation

254900TWUJUQ44TQJY84GB40010	GB	Prudential Staff Pensions Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB20117	GB	Prudential UK Real Estate General Partner Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB20116	GB	Prudential UK Real Estate Limited Partnership	99 - Other	LP	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB20119	GB	Prudential UK Real Estate Nominee 1 Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB20120	GB	Prudential UK Real Estate Nominee 2 Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
2138006YAP8436IV7P84	GB	Prudential UK Services Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
549300VDPV8QUEZVO116	GB	Prudential Unit Trusts Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800M6IQ53UGCHF876	GB	Prutec Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation

213800IOOJ2UW73HST28	GB	PVM Partnerships Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB50347	GB	Radler GP1 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50335	GB	Radler GP2 Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50334	GB	Radler LLP	8 - Credit institution, investment firm and financial institution	LLP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50272	GB	Rads Omega Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50271	GB	Rads Gamma Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84US20093	US	Randolph Street LP	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB20153	GB	RD Park (Hoddesdon Phase 1) Management Company Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		64%	64%	64%		1 - Dominant	64%	1 - Included in the scope		1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB50425	GB	REAL ESTATE DEBT FUND VI	99 - Other	OEIC	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope		3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84LU50280	LU	responsAbility Agriculture Partners SLP	8 - Credit institution, investment firm and financial institution	SLP	2 - Non-mutual	Financial Conduct Authority	61%	61%	61%		1 - Dominant	61%	1 - Included in the scope		4 - Method 1: Sectoral rules
549300HFO9N3U1WX2Z20	LU	responsAbility Asia Climate Fund, SICAV-RAIF	99 - Other	RAIF	2 - Non-mutual		48%	48%	48%		2 - Significant	48%	1 - Included in the scope		3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84LU50345	LU	responsAbility Global Micro and SME Finance Fund	99 - Other	LP	2 - Non-mutual		29%	29%	29%		2 - Significant	29%	1 - Included in the scope		3 - Method 1: Adjusted equity method
222100NVSLBEMI6RG268	LU	responsAbility Management Company S.A	8 - Credit institution, investment firm and financial institution	SA	2 - Non-mutual	Financial Conduct Authority	80%	80%	80%		1 - Dominant	80%	1 - Included in the scope		4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84SG50309	SG	responsAbility Singapore Pte. Ltd.	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50282	LU	responsAbility Sustainable Food - Asia II (GP), S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50306	LU	responsAbility Sustainable Food – Asia II, SLP	99 - Other	LP	2 - Non-mutual		85%	85%	85%	1 - Dominant	85%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84LU50281	LU	responsAbility Sustainable Food – Latam I (GP), S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50305	LU	responsAbility Sustainable Food - Latam I, SLP	99 - Other	LP	2 - Non-mutual		73%	73%	73%	1 - Dominant	73%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84LU50307	LU	responsAbility Sustainable Food Asia II Partners SLP	8 - Credit institution, investment firm and financial institution	SLP	2 - Non-mutual	Financial Conduct Authority	94%	94%	94%	1 - Dominant	94%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50308	LU	responsAbility Sustainable Food Latam I Partners SLP	8 - Credit institution, investment firm and financial institution	SLP	2 - Non-mutual	Financial Conduct Authority	94%	94%	94%	1 - Dominant	94%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84KE50264	KE	responsAbility Africa Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84LU50258	LU	responsAbility Agriculture (GP) S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84PE50265	PE	responsAbility America Latina SAC	8 - Credit institution, investment firm and financial institution	SAC	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU50257	LU	responsAbility BOP S.à r.l.	8 - Credit institution, investment firm and financial institution	Sarl	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84FR50260	FR	responsAbility France SAS	8 - Credit institution, investment firm and financial institution	SAS	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GE50263	GE	responsAbility Georgia LLC	8 - Credit institution, investment firm and financial institution	LLC	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84IN50262	IN	responsAbility India Business Advisors Pvt Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
5493009U9WGUNLD67175	CH	responsAbility Investments AG	8 - Credit institution, investment firm and financial institution	AG	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84TH50261	TH	responsAbility Thailand Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84CH50259	CH	responsAbility Ventures I Services AG	8 - Credit institution, investment firm and financial institution	AG	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
213800JLV4IBC2GWQN92	GB	Sandringham Financial Partners Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84LU20136	LU	Schoolhill S.à r.l.	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Sarl	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB20010	GB	ScotAm Pension Trustees Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50176	GB	Selly Oak Shopping Park (General Partner) Limited	99 - Other	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GB50180	GB	Selly Oak Shopping Park (Nominee 1) Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules

254900TWUJUQ44TQJY84GB50181	GB	Selly Oak Shopping Park (Nominee 2) Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB20133	GB	Selly Oak Shopping Park Limited Partnership	99 - Other	LP	2 - Non-mutual		63%	63%	63%		1 - Dominant	63%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84CA50421	US	Sherman Oaks Fashion Associates, LP	99 - Other	LP	2 - Non-mutual		50%	50%	50%		1 - Dominant	50%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84GG20059	GG	SilverFleet Capital 2004 LP	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GG20064	GG	SilverFleet Capital 2009 LP	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GG20066	GG	Silverfleet Capital 2011/12 LP	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation

254900TWUJUQ44TQJY84GG20132	GG	Silverfleet Capital II WPLF LP	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84US50228	US	Sky Fund V Onshore LP	99 - Other	LP	2 - Non-mutual		26%	26%	26%	2 - Significant	26%	1 - Included in the scope	3 - Method 1: Adjusted equity method
549300BEJIZZ54MFFQ02	GB	Smithfield Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84US20106	US	SMLLC	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LLC	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB50243	US	SOFA Holding LP	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900OGL05XRCWP7V68	IE	Specialist Investment Funds (2) ICAV - M&G Real Impact Fund	99 - Other	ICAV	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method

254900TWUJUQ44TQJY84GB20070	GB	St Edward Homes Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		50%	50%	50%		2 - Significant	50%	1 - Included in the scope	2 - Method 1: Proportional consolidation
5493002E3OJN8FC3QR83	GB	St Edward Homes Partnership	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		50%	50%	50%		2 - Significant	50%	1 - Included in the scope	2 - Method 1: Proportional consolidation
549300H8DZ7KN3YLSM53	GB	St Edward Strand Partnership	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		50%	50%	50%		2 - Significant	50%	1 - Included in the scope	2 - Method 1: Proportional consolidation
2138006L3KIEQC6REU54	GB	Stableview Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB50418	GB	Stein LP	8 - Credit institution, investment firm and financial institution	LP	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84KY50234	KY	StepStone Scorpio Infrastructure Opportunities Fund, L.P.	99 - Other	LP	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
549300FEFNTKM50NRC34	GG	The Car Auction Unit Trust	99 - Other	UT	2 - Non-mutual		50%	50%	50%		1 - Dominant	50%	1 - Included in the scope	3 - Method 1: Adjusted equity method

213800P1BOXLGXP35370	GB	The First British Fixed Trust Company Limited	8 - Credit institution, investment firm and financial institution	Ltd	2 - Non-mutual	Financial Conduct Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	4 - Method 1: Sectoral rules
254900TWUJUQ44TQJY84GB20137	GB	The Project Hoxton LP	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
8IUGZ4RSNMJG05397M84	GB	The Prudential Assurance Company Limited	1 - Life insurance undertaking	Ltd	2 - Non-mutual	The Prudential Regulation Authority	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84JE20074	JE	The Strand Property Unit Trust	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	UT	2 - Non-mutual		50%	50%	50%	2 - Significant	50%	1 - Included in the scope	2 - Method 1: Proportional consolidation
5493009POE314RMQZ898	JE	The Two Rivers Trust	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Trust	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84LU20080	LU	Three Snowhill Birmingham S.à r.l.	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Sarl	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation

254900TWUJUQ44TQJY84GB20079	GB	Two Rivers LP	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
2138006C4YR51S35UI92	JE	Two Rivers One Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
213800NVMP69EOU1FF87	JE	Two Rivers Two Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
529900ABWG3G3W1BIX36	LU	Two Snowhill Birmingham S.à r.l.	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Sarl	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84JE20147	JE	Vanquish I Unit Trust	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	UT	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation

254900TWUJUQ44TQJY84JE20148	JE	Vanquish II Unit Trust	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	UT	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB20145	GB	Vanquish Properties (UK) Limited Partnership	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB20139	JE	Vanquish Properties GP Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB20141	JE	Vanquish Properties GP Nominee 1 Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84GB20142	JE	Vanquish Properties GP Nominee 2 Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation

254900TWUJU Q44TQJY84GB 20143	JE	Vanquish Properties GP Nominee 3 Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJU Q44TQJY84GB 20144	JE	Vanquish Properties GP Nominee 4 Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJU Q44TQJY84GB 20140	JE	Vanquish Properties GP Nominee A Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJU Q44TQJY84GB 20138	JE	Vanquish Properties LP Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJU Q44TQJY84GB 20091	GB	Wessex Gate Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%		1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation

254900TWUJUQ44TQJY84FR50274	FR	West Station 1 SCI	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	SCI	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84FR50275	FR	West Station 2 SCI	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	SCI	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84FR50273	FR	West Station SAS	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	SAS	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation
254900TWUJUQ44TQJY84CA50422	US	Westland Garden State Plaza Sponsor 1 LP	99 - Other	LP	2 - Non-mutual		50%	50%	50%	1 - Dominant	50%	1 - Included in the scope	3 - Method 1: Adjusted equity method
254900TWUJUQ44TQJY84CA50420	US	Westland Garden State Plaza, LP	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	LP	2 - Non-mutual		50%	50%	50%	1 - Dominant	50%	1 - Included in the scope	1 - Method 1: Full consolidation
54930075E6IA5W0H5S09	GB	Westwacker Limited	10 - Ancillary services undertaking as defined in the Glossary part of the PRA Rulebook	Ltd	2 - Non-mutual		100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	1 - Method 1: Full consolidation

254900TWUJUQ44TQJY84US20149	US	WFH Investments LLC	99 - Other	LLC	2 - Non-mutual	17%	17%	91%	1 - Dominant	17%	1 - Included in the scope	3 - Method 1: Adjusted equity method
2138002KV6WLPKHJHM45	GB	Wrap IFA Services Limited	99 - Other	Ltd	2 - Non-mutual	100%	100%	100%	1 - Dominant	100%	1 - Included in the scope	3 - Method 1: Adjusted equity method
549300U1Z88JJD6OW296	GB	WS Prudential Investment Funds (1) - WS Prudential Risk Managed Active 2	99 - Other	OEIC	2 - Non-mutual	21%	21%	21%	2 - Significant	21%	1 - Included in the scope	3 - Method 1: Adjusted equity method
5493006W7LY28KGUSB46	GB	WS Prudential Investment Funds (1) - WS Prudential Risk Managed Active 3	99 - Other	OEIC	2 - Non-mutual	23%	23%	23%	2 - Significant	23%	1 - Included in the scope	3 - Method 1: Adjusted equity method
549300UI6ET9TLZ65L17	GB	WS Prudential Investment Funds (1) - WS Prudential Risk Managed Active 4	99 - Other	OEIC	2 - Non-mutual	32%	32%	32%	1 - Dominant	32%	1 - Included in the scope	3 - Method 1: Adjusted equity method
549300LQFO5UKO80O650	GB	WS Prudential Investment Funds (1) - WS Prudential Risk Managed Active 5	99 - Other	OEIC	2 - Non-mutual	30%	30%	30%	1 - Dominant	30%	1 - Included in the scope	3 - Method 1: Adjusted equity method

5493006Y42NL 3VIZDX15	GB	WS Prudential Investment Funds (1) - WS Prudential Risk Managed Passive Fund 1	99 - Other	OEIC	2 - Non-mutual	41%	41%	41%	1 - Dominant	41%	1 - Included in the scope	3 - Method 1: Adjusted equity method
5493006Y42NL 3VIZDX15	GB	WS Prudential Investment Funds (1) - WS Prudential Risk Managed Passive Fund 1	99 - Other	OEIC	2 - Non-mutual	41%	41%	41%	1 - Dominant	41%	1 - Included in the scope	3 - Method 1: Adjusted equity method

IR.02.01.02 Balance sheet - PAC

All amounts are in £'000

Assets		Solvency II value
		C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	—
Deferred tax assets	R0040	400,230
Pension benefit surplus	R0050	42,094
Property, plant & equipment held for own use	R0060	—
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	**132,746,389**
Property (other than for own use)	R0080	5,685,145
Holdings in related undertakings, including participations	R0090	65,736,608
Equities	R0100	**9,089,204**
Equities - listed	R0110	8,868,275
Equities - unlisted	R0120	220,930
Bonds	R0130	**44,474,117**
Government Bonds	R0140	15,502,862
Corporate Bonds	R0150	27,649,777
Structured notes	R0160	—
Collateralised securities	R0170	1,321,478
Collective Investments Undertakings	R0180	6,355,423
Derivatives	R0190	806,331
Deposits other than cash equivalents	R0200	599,560
Other investments	R0210	—
Assets held for index-linked and unit-linked contracts	R0220	5,403,113
Loans and mortgages	R0230	**12,581,543**
Loans on policies	R0240	802
Loans and mortgages to individuals	R0250	948,840
Other loans and mortgages	R0260	11,631,900
Reinsurance recoverables from:	R0270	**5,677,228**
Non-life and health similar to non-life	R0280	—
Life and health similar to life, excluding index-linked and unit-linked	R0315	309,151
Life index-linked and unit-linked	R0340	5,368,077
Deposits to cedants	R0350	—
Insurance and intermediaries receivables	R0360	44,227
Reinsurance receivables	R0370	85,017
Receivables (trade, not insurance)	R0380	1,478,759
Own shares (held directly)	R0390	—
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	—
Cash and cash equivalents	R0410	849,301
Any other assets, not elsewhere shown	R0420	—
Total assets	**R0500**	**159,307,900**

IR.02.01.02 Balance sheet - PAC

Liabilities		Solvency II value C0010
Technical provisions - total	R0505	135,292,976
Technical provisions - non-life	R0510	—
Technical provisions - life	R0515	135,292,976
Best estimate - total	R0542	135,019,580
Best estimate - non-life	R0544	—
Best estimate - life	R0546	135,019,580
Risk margin - total	R0552	684,464
Risk margin - non-life	R0554	—
Risk margin - life	R0556	684,464
Transitional (TMTP) - life	R0565	411,068
Other technical provisions	R0730	
Contingent liabilities	R0740	—
Provisions other than technical provisions	R0750	11,231
Pension benefit obligations	R0760	—
Deposits from reinsurers	R0770	105,200
Deferred tax liabilities	R0780	391,888
Derivatives	R0790	2,895,942
Debts owed to credit institutions	R0800	914,649
Financial liabilities other than debts owed to credit institutions	R0810	10,372
Insurance & intermediaries payables	R0820	1,022,916
Reinsurance payables	R0830	45,425
Payables (trade, not insurance)	R0840	3,153,291
Subordinated liabilities	R0850	—
Subordinated liabilities not in Basic Own Funds	R0860	—
Subordinated liabilities in Basic Own Funds	R0870	—
Any other liabilities, not elsewhere shown	R0880	—
Total liabilities	**R0900**	**143,843,890**
Excess of assets over liabilities	**R1000**	**15,464,010**

IR.05.02.01 Premiums, claims and expenses by country - PAC (unaudited)

All amounts are in £'000

		Home Country	Country (by amount of gross premiums written) - life obligations					Total Top 5 and home country[1]
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R01400		IE					
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
		GB	IE					
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
Premiums written								
Gross	R1410	6,515,076	581,903	—	—	—	—	7,096,979
Reinsurers' share	R1420	797,058	1,594	—	—	—	—	798,652
Net	R1500	5,718,017	580,310	—	—	—	—	6,298,327
Premiums earned								
Gross	R1510	6,515,076	581,903	—	—	—	—	7,096,979
Reinsurers' share	R1520	797,058	1,594	—	—	—	—	798,652
Net	R1600	5,718,017	580,310	—	—	—	—	6,298,327
Claims incurred								
Gross	R1610	14,028,658	745,027	—	—	—	—	14,773,685
Reinsurers' share	R1620	1,005,472	879	—	—	—	—	1,006,351
Net	R1700	13,023,186	744,148	—	—	—	—	13,767,333
Net expenses incurred	R1900	908,878	100,510	—	—	—	—	1,009,387

1. In line with the reporting requirements only countries, other than the home country, with greater than £100m gross written premiums or greater than 5% of total gross written premiums are reported.

IR.05.03.02 Life income and expenditure - PAC (unaudited)

All amounts are in £'000

		Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
Premiums written								
Gross direct business	R0010	5,082,385	391,520	879,418	—	155,865	10,792	6,519,980
Gross reinsurance accepted	R0020	581,903	—	—	—		—	581,903
Gross	R0030	5,664,289	391,520	879,418	—	155,865	10,792	7,101,884
Reinsurers' share	R0040	1,663	324,318	416,690	—	53,674	2,306	798,652
Net	R0050	5,662,625	67,202	462,728	—	102,191	8,486	6,303,232
Claims incurred								
Gross direct business	R0110	10,645,709	1,460,815	1,447,764	—	450,302	6,642	14,011,232
Gross reinsurance accepted	R0120	745,039	—	42,737	—		—	787,775
Gross	R0130	11,390,748	1,460,815	1,490,500	—	450,302	6,642	14,799,008
Reinsurers' share	R0140	1,404	561,333	406,409	—	33,172	4,034	1,006,351
Net	R0150	11,389,344	899,483	1,084,091	—	417,131	2,608	13,792,656
Expenses incurred								
Gross direct business	R0160	654,569	152,454	112,948	—	3,730	470	924,170
Gross reinsurance accepted	R0170	76,310	8,908	—	—	—	—	85,217
Gross	R0180	730,879	161,362	112,948	—	3,730	470	1,009,387
Reinsurers' share	R0190		—	—	—	—	—	—
Net	R0200	730,879	161,362	112,948	—	3,730	470	1,009,387
Other expenses	R0300							46,487
Transfers and dividends								
Dividends paid	R0440							650,000

IR.12.01.02 Life technical provisions - PAC

All amounts are in £'000

				Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
				C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0030	Best Estimate	Gross Best Estimate		106,968,185	10,700,520	16,606,270		749,287	(4,681)	135,019,580
R0025			Gross Best Estimate (direct business)	99,131,712	10,700,520	16,180,658		749,287	(4,681)	126,757,495
R0026			Gross Best Estimate (reinsurance accepted)	7,836,473	—	425,612		—	—	8,262,085
R0080		Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		(4,064)	5,368,077	54,079		260,649	(1,513)	5,677,228
R0090		Best estimate minus recoverables from reinsurance/SPV and Finite Re		106,972,249	5,332,443	16,552,191		488,638	(3,169)	129,342,352
R0100	Risk Margin			213,451	12,917	342,864		115,224	8	684,464
R0180	Amount of the transitional on Technical Provisions	Transitional Measure on Technical Provisions		161,699	6,152	190,234		52,983	—	411,068
R0140			TMTP - risk margin	170,062	10,196	261,644		87,818	—	529,720
R0150			TMTP - best estimate dynamic component	(81,767)	(1,470)	(69,087)		(12,660)	—	(164,985)
R0160			TMTP - best estimate non-dynamic component	73,405	(2,575)	(2,322)		(22,175)	—	46,333
R0170			TMTP - amortisation adjustment	—	—	—		—	—	—
R0200	Technical provisions - total			107,019,937	10,707,285	16,758,899		811,528	(4,673)	135,292,976

IR.23.01.01 Own funds - PAC

All amounts are in £'000

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	329,517	329,517		—	
R0030	Share premium account related to ordinary share capital	—	—		—	
R0040	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	—	—		—	
R0050	Subordinated mutual member accounts	—		—	—	—
R0070	Surplus funds	8,990,643	8,990,643			
R0090	Preference shares	—		—	—	—
R0110	Share premium account related to preference shares	—		—	—	—
R0130	Reconciliation reserve	(21,795)	(21,795)			
R0140	Subordinated liabilities	—		—	—	—
R0160	An amount equal to the value of net deferred tax assets	400,230				400,230
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	—	—	—	—	—
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	—				
R0290	**Total basic own funds**	9,698,595	9,298,365	—	—	400,230
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	9,698,595	9,298,365	—	—	400,230
R0510	Total available own funds to meet the MCR	9,298,365	9,298,365	—	—	
R0540	Total eligible own funds to meet the SCR	9,698,595	9,298,365	—	—	400,230
R0550	Total eligible own funds to meet the MCR	9,298,365	9,298,365	—	—	
R0580	SCR	6,191,841				
R0600	MCR	1,547,960				
R0620	Ratio of Eligible own funds to SCR	1.57				
R0640	Ratio of Eligible own funds to MCR	6.01				

		C0060
R0700	Excess of assets over liabilities	15,464,010
R0710	Own shares (held directly and indirectly)	—
R0720	Foreseeable dividends, distributions and charges	0
R0725	Deductions for participations in financial and credit institutions	0
R0730	Other basic own fund items	9,720,390
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	5,765,414
R0760	**Reconciliation reserve**	(21,795)

IR.22.01.21 Impact of long term guarantees measures and transitionals - PAC

All amounts are in £'000

		Amount with Long Term Guarantee measures and transitionals	Impact of the LTG measures and transitionals (Step-by-step approach)			
			Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	135,292,976	411,068	—	—	1,707,905
Basic own funds	R0020	9,698,595	(122,489)	—	—	(566,825)
Eligible own funds to meet Solvency Capital Requirement	R0050	9,698,595	(122,489)	—	—	(566,825)
Solvency Capital Requirement	R0090	6,191,841	38,286	—	—	2,564,249
Eligible own funds to meet Minimum Capital Requirement	R0100	9,298,365	(160,775)	—	—	(894,882)
Minimum Capital Requirement	R0110	1,547,960	9,572	—	—	641,062

IR.25.04.21 Solvency Capital Requirement - Partial or full internal model components - PAC (unaudited)

– for undertakings on full internal models

All amounts are in £'000

Unique number of component	Component description		Calculation of the Solvency Capital Requirement
			C0010
R0140	Market risk		5,275,542
R0070		Interest rate risk	936,116
R0080		Equity risk	2,544,874
R0090		Property risk	765,588
R0100		Spread risk	2,333,487
R0110		Concentration risk	—
R0120		Currency risk	1,480,029
R0125		Other market risk	—
R0130		Diversification within market risk	(2,784,551)
R0180	Counterparty default risk		75,698
R0150		Type 1 exposures	—
R0160		Type 2 exposures	—
R0165		Other counterparty risk	75,698
R0170		Diversification within counterparty default risk	—
R0270	Life underwriting risk		2,088,880
R0190		Mortality risk	31,513
R0200		Longevity risk	2,034,007
R0210		Disability-Morbidity risk	15,006
R0220		Life-expense risk	1,243,482
R0230		Revision risk	—
R0240		Lapse risk	1,363,045
R0250		Life catastrophe risk	9,924
R0255		Other life underwriting risk	—
R0260		Diversification within life underwriting risk	(2,608,097)
R0430	Operational and other risks		2,593,027
R0422		Operational risk	2,593,027
R0424		Other risks	—
R0432	Total before all diversification		15,425,796
R0434	Total before diversification between risk modules		10,033,148
R0436	Diversification between risk modules		(2,713,210)
R0438	Total after diversification		7,319,938
R0440	Loss-absorbing capacity of technical provisions		—
R0450	Loss-absorbing capacity of deferred taxes		(179,335)
R0455	Other adjustments		(948,762)
R0460	Solvency capital requirement excluding capital add-on		6,191,841
R0472	Disclosed capital add-on - excluding residual model limitation		—
R0474	Disclosed capital add-on - residual model limitation		—
R0480	Solvency capital requirement including capital add-on		6,191,841
R0490	Biting interest rate scenario		Increase
R0495	Biting life lapse scenario		

IR.28.01.01 Minimum Capital Requirement - Life activity - PAC

Life insurance activity

All amounts are in £'000

		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0050	C0060
R0020	Medical expense insurance and proportional	—	—
R0030	Income protection insurance and	—	—
R0040	Workers' compensation insurance and	—	—
R0050	Motor vehicle liability insurance and	—	—
R0060	Other motor insurance and proportional	—	—
R0070	Marine, aviation and transport insurance and	—	—
R0080	Fire and other damage to property insurance	—	—
R0090	General liability insurance and proportional	—	—
R0100	Credit and suretyship insurance and	—	—
R0110	Legal expenses insurance and proportional	—	—
R0120	Assistance and proportional reinsurance	—	—
R0130	Miscellaneous financial loss insurance and	—	—
R0140	Non-proportional health reinsurance	—	—
R0150	Non-proportional casualty reinsurance	—	—
R0160	Non-proportional marine, aviation and	—	—
R0170	Non-proportional property reinsurance	—	—

Linear formula component for life insurance and reinsurance obligations

		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance/ SPV) total capital at risk
		C0050	C0060
R0210	Obligations with profit participation -	20,657,556	
R0220	Obligations with profit participation - future	86,314,694	
R0230	Index-linked and unit-linked insurance	5,332,443	
R0240	Other life (re)insurance and health	17,037,660	
R0250	Total capital at risk for all life (re)insurance		16,134,423

		Non-life C0020	Life activities C0040
R0010	MCR(NL,L) Result	—	
R0200	MCR(L,L) Result		(3,317,622)

	Overall MCR calculation	C0070
R0300	Linear MCR	-3,317,622
R0310	SCR	6,191,841
R0320	MCR cap	2,786,328
R0330	MCR floor	1,547,960
R0340	Combined MCR	1,547,960
R0350	Absolute floor of the MCR	3,500
R0400	Minimum Capital Requirement	1,547,960

IR.02.01.02 Balance sheet - PPL

All amounts are in £'000

Assets		Solvency II value C0010
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	—
Deferred tax assets	R0040	—
Pension benefit surplus	R0050	—
Property, plant & equipment held for own use	R0060	—
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	27,356
Property (other than for own use)	R0080	—
Holdings in related undertakings, including participations	R0090	—
Equities	R0100	
Equities - listed	R0110	—
Equities - unlisted	R0120	—
Bonds	R0130	27,356
Government Bonds	R0140	27,356
Corporate Bonds	R0150	—
Structured notes	R0160	—
Collateralised securities	R0170	—
Collective Investments Undertakings	R0180	—
Derivatives	R0190	—
Deposits other than cash equivalents	R0200	—
Other investments	R0210	—
Assets held for index-linked and unit-linked contracts	R0220	6,232,805
Loans and mortgages	R0230	59,800
Loans on policies	R0240	—
Loans and mortgages to individuals	R0250	—
Other loans and mortgages	R0260	59,800
Reinsurance recoverables from:	R0270	1,066,133
Non-life and health similar to non-life	R0280	—
Life and health similar to life, excluding index-linked and unit-linked	R0315	25,750
Life index-linked and unit-linked	R0340	1,040,383
Deposits to cedants	R0350	—
Insurance and intermediaries receivables	R0360	
Reinsurance receivables	R0370	190
Receivables (trade, not insurance)	R0380	3,560
Own shares (held directly)	R0390	—
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	—
Cash and cash equivalents	R0410	19,407
Any other assets, not elsewhere shown	R0420	—
Total assets	**R0500**	**7,409,250**

IR.02.01.02 Balance sheet - PPL

All amounts are in £'000

Liabilities		Solvency II value C0010
Technical provisions - total	R0505	7,290,527
Technical provisions - non-life	R0510	—
Technical provisions - life	R0515	7,290,527
Best estimate - total	R0542	7,286,782
Best estimate - non-life	R0544	—
Best estimate - life	R0546	7,286,782
Risk margin - total	R0552	3,745
Risk margin - non-life	R0554	—
Risk margin - life	R0556	3,745
Transitional (TMTP) - life	R0565	—
Other technical provisions	R0730	
Contingent liabilities	R0740	—
Provisions other than technical provisions	R0750	—
Pension benefit obligations	R0760	—
Deposits from reinsurers	R0770	—
Deferred tax liabilities	R0780	2,496
Derivatives	R0790	—
Debts owed to credit institutions	R0800	—
Financial liabilities other than debts owed to credit institutions	R0810	—
Insurance & intermediaries payables	R0820	—
Reinsurance payables	R0830	—
Payables (trade, not insurance)	R0840	32,580
Subordinated liabilities	R0850	—
Subordinated liabilities not in Basic Own Funds	R0860	—
Subordinated liabilities in Basic Own Funds	R0870	—
Any other liabilities, not elsewhere shown	R0880	—
Total liabilities	**R0900**	**7,325,603**
Excess of assets over liabilities	**R1000**	**83,647**

IR.05.02.01 Premiums, claims and expenses by country - PPL (unaudited)

All amounts are in £'000

		Home Country	Country (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R01400							
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
		GB						
Premiums written								
Gross	R1410	529,616	—	—	—	—	—	529,616
Reinsurers' share	R1420		—	—	—	—	—	—
Net	**R1500**	**529,616**	**—**	**—**	**—**	**—**	**—**	**529,616**
Premiums earned								—
Gross	R1510	529,616	—	—	—	—	—	529,616
Reinsurers' share	R1520		—	—	—	—	—	—
Net	**R1600**	**529,616**	**—**	**—**	**—**	**—**	**—**	**529,616**
Claims incurred								—
Gross	R1610	(1,346,480)	—	—	—	—	—	(1,346,480)
Reinsurers' share	R1620	3,418	—	—	—	—	—	3,418
Net	**R1700**	**(1,343,062)**	**—**	**—**	**—**	**—**	**—**	**(1,343,062)**
Net expenses incurred	R1900	(168)	—	—	—	—	—	(168)

IR.05.03.02 Life income and expenditure - PPL (unaudited)

All amounts are in £'000

		Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
Premiums written								
Gross direct business	R0010	—	206,581	—	—	—	—	206,581
Gross reinsurance accepted	R0020	—	323,035	—	—	—	—	323,035
Gross	R0030	—	529,616	—	—	—	—	529,616
Reinsurers' share	R0040	—	—	—	—	—	—	—
Net	R0050	—	529,616	—	—	—	—	529,616
Claims incurred								
Gross direct business	R0110	—	(797,005)	(3,418)	—		—	(800,423)
Gross reinsurance accepted	R0120	—	(546,057)	—	—	—	—	(546,057)
Gross	R0130	—	—	(3,418)	—	—	—	(1,346,480)
Reinsurers' share	R0140	—	—	3,418	—		—	3,418
Net	R0150	—	(1,343,062)	—	—	—	—	(1,343,062)
Expenses incurred								
Gross direct business	R0160	—	(9,855)	—	—	(2,773)	—	(12,628)
Gross reinsurance accepted	R0170	—	12,796	—	—	—	—	12,796
Gross	R0180	—	2,941	—	—	(2,773)	—	168
Reinsurers' share	R0190	—	—	—	—	—	—	—
Net	R0200	—	2,941	—	—	(2,773)	—	168
Other expenses	R0300							—
Transfers and Dividends								
Dividends paid	R0440							—

IR.12.01.02 Life technical provisions - PPL

All amounts are in £'000

				Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
				C0010	C0020	C0030	C0040	C0050	C0060	C0070
R0030	Best Estimate	Gross Best Estimate		—	7,260,876	25,750		156	—	7,286,782
R0025			Gross Best Estimate (direct business)	—	1,679,187	25,750		156	—	1,705,093
R0026			Gross Best Estimate (reinsurance accepted)	—	5,581,688	—		—	—	5,581,688
R0080		Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected		—	1,040,383	25,750		—	—	1,066,133
R0090		Best estimate minus recoverables from reinsurance/SPV and Finite Re		—	6,220,493			156	—	6,220,649
R0100	Risk Margin			—	3,745	—		—	—	3,745
R0180	Amount of the transitional on Technical Provisions	Transitional Measure on Technical Provisions		—	—	—		—	—	—
R0140			TMTP - risk margin	—	2,289	—		—	—	2,289
R0150			TMTP - best estimate dynamic component	—	—	—		—	—	—
R0160			TMTP - best estimate non-dynamic component	—	(5,735)	—		—	—	(5,735)
R0170			TMTP - amortisation adjustment	—	—	—		—	—	—
R0200	Technical provisions - total			—	7,264,621	25,750		156	—	7,290,527

IR.22.01.21 Impact of long term guarantees measures and transitionals - PPL

All amounts are in £'000

		Amount with Long Term Guarantee measures and transitionals	Impact of the LTG measures and transitionals (Step-by-step approach)			
			Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	7,290,527	—	—	—	—
Basic own funds	R0020	83,647	—	—	—	—
Eligible own funds to meet Solvency Capital Requirement	R0050	83,647	—	—	—	—
Solvency Capital Requirement	R0090	26,549	—	—	—	—
Eligible own funds to meet Minimum Capital Requirement	R0100	83,647	—	—	—	—
Minimum Capital Requirement	R0110	11,947	—	—	—	—

IR.23.01.01 Own funds - PPL All amounts are in £'000

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
R0010	Ordinary share capital (gross of own shares)	6,000	6,000		—	
R0030	Share premium account related to ordinary share capital	—	—		—	
R0040	Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	—	—		—	
R0050	Subordinated mutual member accounts	—		—	—	—
R0070	Surplus funds	—	—			
R0090	Preference shares	—		—	—	—
R0110	Share premium account related to preference shares	—		—	—	—
R0130	Reconciliation reserve	77,647	77,647			
R0140	Subordinated liabilities	—		—	—	—
R0160	An amount equal to the value of net deferred tax assets	—				—
R0180	Other own fund items approved by the supervisory authority as basic own funds not specified above	—	—	—	—	—
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	—				
R0290	Total basic own funds	83,647	83,647	—	—	—
	Available and eligible own funds					
R0500	Total available own funds to meet the SCR	83,647	83,647	—	—	—
R0510	Total available own funds to meet the MCR	83,647	83,647	—	—	
R0540	Total eligible own funds to meet the SCR	83,647	83,647	—	—	—
R0550	Total eligible own funds to meet the MCR	83,647	83,647	—	—	
R0580	SCR	26,549				
R0600	MCR	11,947				
R0620	Ratio of Eligible own funds to SCR	315 %				
R0640	Ratio of Eligible own funds to MCR	700 %				

		C0060
R0700	Excess of assets over liabilities	83,647
R0710	Own shares (held directly and indirectly)	—
R0720	Foreseeable dividends, distributions and charges	—
R0725	Deductions for participations in financial and credit institutions	—
R0730	Other basic own fund items	6,000
R0740	Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	—
R0760	Reconciliation reserve	77,647

IR.25.04.21 Solvency Capital Requirement - Partial or full internal model components - PPL (unaudited)

All amounts are in £'000

Component description	Component description	Component description	Unique number of component	
				C0010
Net of loss-absorbing capacity of technical provisions	Market risk		R0140	18,520
		Interest rate risk	R0070	3,961
		Equity risk	R0080	11,696
		Property risk	R0090	441
		Spread risk	R0100	6,712
		Concentration risk	R0110	—
		Currency risk	R0120	3,858
		Other market risk	R0125	—
		Diversification within market	R0130	(8,148)
	Counterparty default risk		R0180	—
		Type 1 exposures	R0150	—
		Type 2 exposures	R0160	—
		Other counterparty risk	R0165	—
		Diversification within	R0170	—
	Life underwriting risk		R0270	14,421
		Mortality risk	R0190	—
		Longevity risk	R0200	—
		Disability-Morbidity risk	R0210	—
		Life-expense risk	R0220	30,079
		Revision risk	R0230	—
		Lapse risk	R0240	6,561
		Life catastrophe risk	R0250	22
		Other life underwriting risk	R0255	—
		Diversification within life	R0260	(22,242)
	Total health underwriting		R0320	
		Health SLT risk	R0280	—
		Health non SLT risk	R0290	—
		Health catastrophe risk	R0300	—
		Other health underwriting risk	R0305	—
		Diversification within health underwriting risk	R0310	—
	Non-life underwriting risk		R0370	—
		Non-life premium and reserve risk (ex catastrophe risk)	R0330	—
		Non-life catastrophe risk	R0340	—
		Lapse risk	R0350	—
		Other non-life underwriting risk	R0355	—
		Diversification within non-life underwriting risk	R0360	—
Intangible asset risk			R0400	—
Operational and other risks			R0430	13,647
	Operational risk		R0422	13,647

	Other risks		R0424	—
Total before all diversification			R0432	76,977
Total before diversification between risk modules			R0434	46,588
Diversification between risk modules			R0436	(13,230)
Total after diversification			R0438	33,358
Loss-absorbing capacity of technical provisions			R0440	—
Loss-absorbing capacity of deferred taxes			R0450	(6,171)
Other adjustments			R0455	(638)
Solvency capital requirement excluding capital add-on			R0460	26,549
Disclosed capital add-on - excluding residual model			R0472	—
Disclosed capital add-on - residual model limitation			R0474	—
Solvency capital requirement including capital add-on			R0480	26,549
Biting interest rate scenario			R0490	Increase
Biting life lapse scenario			R0495	

IR.28.01.01 Minimum Capital Requirement - Only life or only non-life activity - PPL

Only life or non-life insurance or reinsurance activity

All amounts are in £'000

	MCR Calculation Non Life	Net (of reinsurance/ SPV) best estimate and TP calculated as a whole C0050	Net (of reinsurance) written premiums in the last 12 months C0060
R0020	Medical expense insurance and proportional reinsurance	—	—
R0030	Income protection insurance and proportional reinsurance	—	—
R0040	Workers' compensation insurance and proportional reinsurance	—	—
R0050	Motor vehicle liability insurance and proportional reinsurance	—	—
R0060	Other motor insurance and proportional reinsurance	—	—
R0070	Marine, aviation and transport insurance and proportional reinsurance	—	—
R0080	Fire and other damage to property insurance and proportional reinsurance	—	—
R0090	General liability insurance and proportional reinsurance	—	—
R0100	Credit and suretyship insurance and proportional reinsurance	—	—
R0110	Legal expenses insurance and proportional reinsurance	—	—
R0120	Assistance and proportional reinsurance	—	—
R0130	Miscellaneous financial loss insurance and proportional reinsurance	—	—
R0140	Non-proportional health reinsurance	—	—
R0150	Non-proportional casualty reinsurance	—	—
R0160	Non-proportional marine, aviation and transport reinsurance	—	—
R0170	Non-proportional property reinsurance	—	—

Linear formula component for life insurance and reinsurance obligations

	MCR Calculation Life	Net (of reinsurance/ SPV) best estimate and TP calculated as a whole C0050	Net (of reinsurance/ SPV) total capital at risk C0060
R0210	Obligations with profit participation - guaranteed benefits	—	
R0220	Obligations with profit participation - future discretionary benefits	—	
R0230	Index-linked and unit-linked insurance obligations	6,220,493	
R0240	Other life (re)insurance and health (re)insurance obligations	156	
R0250	Total capital at risk for all life (re)insurance obligations		12,385

		Non-life C0010	Life activities C0040
R0010	MCRNL Results	—	
R0200	MCRL Results		43,555

	Overall MCR calculation	C0070
R0300	Linear MCR	43,555
R0310	SCR	26,549
R0320	MCR cap	11,947
R0330	MCR floor	6,637
R0340	Combined MCR	11,947
R0350	Absolute floor of the MCR	3,500
R0400	Minimum Capital Requirement	11,947