Invesco Pensions Limited
Solvency and Financial Condition Report 2019

Contents

Executive Summary

- Invesco Pensions Limited (IPL) is a wholly-owned UK subsidiary of Invesco Limited, an independent global investment management company listed on the New York Stock Exchange. IPL's sole business activity is the provision of insurance products to trustees of pension schemes registered in the UK, either directly or through reinsurance of the investment element of policies written by third party life insurers.

- The business saw rapid growth to 2017 due to the success of a new institutional product which attracted significant investment from a number of large occupational pension schemes into the Invesco Global Targeted Returns (GTR) Pension Fund. This fund constituted approximately 84.6% of IPL's assets under management at 31 December 2019. The new business generated a sharp increase in IPL's revenues and profits in 2017 which has since reduced following net outflows in 2018 and 2019. Further details are provided in section A.4 below.

- The company forms part of the Invesco Limited group in Europe, the Middle-East and Africa ("EMEA group"), a larger business unit headed by Invesco UK Limited, the immediate parent company. Invesco Pensions Limited is governed by its own Board of Directors ("the board"), and committees established by the Board, but substantially all its business and support activities (including risk, compliance and internal audit functions) are carried out on its behalf by the EMEA group within governance frameworks established for the group as a whole and shared with other operating and regulated companies in the region. The frameworks include the provision of risk management systems and internal controls using a 'three lines of defence' model. Further details are provided in sections B.3 and B.4 below.

Fund administration, client administration and actuarial services are outsourced to external third parties.

- As noted above, IPL has a simple business model with just one business activity: the provision of unit-linked insurance products to UK Registered Pension Schemes. The company's risk profile is correspondingly simple, and the key risks to its financial position and operational performance are lapse risk, market risk, operational risk and expense risk. IPL has exposures to other risks including underwriting risk, credit risk and liquidity risk but, relative to the main risks, these are not material. Further details are provided in section C below.

- The Board reviews the company's capital position on a regular basis and determines the appropriate capital to be maintained. During the year the Board agreed to change its revenue sharing practice so as to conform with the Invesco group's transfer pricing model. This resulted in significantly lower revenue retention and has had a material effect on the Solvency II balance sheet. The Solvency capital ratio at 31 December 2019 was 238% (2018: 146%). Own funds decreased from £273.2m in 2018 to £116.4m in 2019. The Solvency Capital Requirement (SCR) reduced from £187.1m to £48.9m, this decrease was driven by the change in revenue sharing practice, increase in the long term lapse rate assumption and fall in assets under management during the year. In addition, the Minimum Capital Requirement (MCR) decreased from £61.0m to £22.0m. Further details are provided in section E below.

- IPL applies the transitional measure on technical provisions (TMTP) to its balance sheet; this provides the company with a phased-in transition to Solvency II over a period of 16 years. The TMTP is calculated as the difference between the reserves/technical provisions under Solvency II and the Individual Capital Assessment (ICA). The solvency ratio without TMTP would be 188% (2018:132%). Further details are provided in section E.2. below.

Directors' statement of responsibility
We acknowledge our responsibility for preparing the SFCR in all material respects in accordance with the PRA Rules and the Solvency II Regulations.

We are satisfied that:
- Throughout the financial year in question, the insurer has complied in all material respects with the requirements of the PRA Rules and the Solvency II Regulations as applicable to the insurer; and
- It is reasonable to believe that the insurer has continued so to comply subsequently and will continue so to comply in future.

Alan Trotter	**Colin Fitzgerald**
Director	**Director**

DATE **2nd April 2020**

Business and Performance

A.1 Business

IPL operates a simple business strategy with, essentially, a single line of business. It provides unit-linked insurance products to trustees of UK Registered Pension Schemes, including unit-linked reinsurance of the investment element of policies issued by third party life insurers wishing to offer Invesco funds to their pension scheme clients. Most of the company's business as at 31 December 2019 is from defined benefit schemes that have invested in the Invesco Global Targeted Return Pension Fund ('GTR Pension Fund'). All of the company's business activities take place in the UK.

Whilst IPL's corporate history dates back to February 1999, its scale and financial performance grew very significantly in the three years following the launch of the GTR Pension Fund in April 2014, peaking in 2017 with subsequent outflows in 2018 and 2019. The current assets under management can be considered as having two components:

a) a more mature business invested in a relatively broad range of funds for a relatively diverse policyholder base, including both Defined Benefit (DB) and Defined Contribution (DC) schemes, as well as 'retail' Self Invested Personal Pension (SIPP) schemes. This block of business has been and remains relatively stable with comparatively modest inflows and outflows; and

b) a younger book of business sourced primarily from institutional investors and predominantly invested in the GTR Pension Fund. This book of business exhibited dramatic growth from its launch but has now reduced from its peak.

In 2019 the Board agreed to a request from IPL's associated company Invesco Asset Management Limited (IAML) for the Invesco group transfer pricing model to be applied, with effect from 1 April, to the supply of distribution services by IAML to IPL. This resulted in IPL allocating 40% of its gross revenues to IAML in consideration for these services and consequently a significant reduction in retained revenue for IPL. This, in turn, has led to significantly lower levels of both Own Funds and capital requirements in IPL's Pillar I valuation under Solvency II. Because the relative effect of lower revenues on these quantities is asymmetric, the change in revenue allocation has led to an increase in the ratio of own funds to the Solvency II Capital Requirement (''SCR'').

Accordingly, while there has been no change in the methodology or assumptions underlying the Solvency II valuation, the Company's solvency position as at 31 December 2019 is materially improved over that reported as at the 31 December 2018 year end date. The risk appetite has been updated to reflect this change and is detailed in B.3.3.

Revenue is earned as a percentage of assets under management. The majority of expenses are also charged as a proportion of assets under management, which will mitigate the impact of extreme stress scenarios. IPL has no employees but operates within a group structure headed by its immediate parent, Invesco UK Limited ('IUK'). Support for the company's operations and the control functions are provided by other members of the IUK group, with fund administration, client administration and actuarial services provided by third parties.

IPL is authorised by the Prudential Regulation Authority ('PRA'), which is located at 20 Moorgate, London EC2R 6DA, and is regulated by the Financial Conduct Authority ('FCA') and the PRA.

IPL's auditor is PricewaterhouseCoopers LLP, chartered accountants, 7 More London Riverside, London SE1 2RT.

A.1.1 Coronavirus

The outbreak of novel Coronavirus (COVID-19) in China in January 2020 and its subsequent spread to other countries, including the United Kingdom, has led to significant investor uncertainty across the globe. The recent market volatility has had a direct impact on the level of the company's AUM, as market risk is one of the company's principal risks as set out in the Strategic Report. As at 15 March 2020, the company's Solvency Ratio was estimated at 247%. A continued rise in the number of COVID-19 infections, or a prolongation of the outbreak, may further increase uncertainty and result in significant adverse economic effects.

In light of this, the severe macroeconomic stress scenarios have been updated to ensure that they appropriately reflect recent market volatility and IPL would remain adequately solvent in these conditions, although it is acknowledged that the full extent and length of the current situation cannot yet be predicted with any certainty.

A.2 Underwriting performance

IPL does not underwrite insurance risks.

A.3

Investment performance
Set out below is a summary of the investment performance of IPL's five largest funds:

	Fund Value at 31 Dec 2019	Cumulative Gross Returns (%)		
	£m	1 year	3 year	5 year
Invesco Global Targeted Return Pension Fund	6,924.1	4%	3%	10%
Invesco Balanced Risk 8 Pension Fund	344.9	14%	18%	26%
Invesco UK Equity Pension Fund	155.1	8%	6%	19%
Invesco Balanced Risk 10 Pension Fund	105.3	18%	n/a	n/a
Invesco Managed Pension Fund	99.6	18%	18%	51%

IPL undertakes no investment activity save in connection with its unit-linked insurance products.

A.4

Financial Performance
As noted above, IPL's business grew quickly to 2017 with subsequent outflows in 2018 and 2019. This has been driven by sales of the GTR Pension Fund launched in 2014 using multi-asset investment strategies. The table below shows the growth in policyholder assets under management (AUM) to 2017 followed by net outflows in 2018 and 2019.

					At 31 December
	2015	2016	2017	2018	2019
Assets under management (£M)	4,105.4	6,655.8	9,199.5	8,938.8	8,183.4
% change	–	62.1	38.2	-2.8	-8.4

As at 31 December 2019, the value of the GTR Pension Fund was £6,924 million, or 84.6% of IPL's total. The new business written is profitable and cash generative.

(£'000)					Years to 31 December
	2015	2016	2017	2018	2019
Investment income	41,027	93,677	180,852	199,533	177,730
Net (losses)/gains on investments	72,665	193,314	58,668	(550,444)	301,621
Fees from fund management	17,015	33,298	52,124	59,823	57,658
Total income	**130,707**	**320,289**	**291,644**	**(291,088)**	**537,009**
% change	97.4	145.0	-8.9	-199.8	284.5
Profit before tax	**7,137**	**15,560**	**26,780**	**32,830**	**16,727**
% change		118.0	72.1	22.6	-49.0

A.5

Any other information
There is no further information regarding IPL's business and performance.

System of Governance

B.1	**General information on the system on governance**

B.1.1 Group structure

IPL is a wholly–owned subsidiary of IUK, itself a wholly-owned subsidiary of Invesco Ltd., a leading independent global investment management company incorporated in Bermuda with global headquarters in Atlanta, Georgia, USA. Invesco Ltd had assets under management at 31 December 2019 of US$ 1,226.2 billion (2018: US$888.2 billion) and 8,821 (2018: 7,459) employees. It is a widely held public company listed on the New York Stock Exchange under the symbol IVZ and had a market capitalisation of US$8.16 billion at 31 December 2019 (2018: US$6.65 billion). It has a significant presence in the retail and institutional markets within the investment management industry in North America, UK, Continental Europe, Middle East and Asia-Pacific, serving clients in more than 100 countries.

IUK is the holding company for the Invesco EMEA Group and its principal business activity is investment management and related activities for a broad range of retail and institutional insurance products, including open ended and closed ended collective investment vehicles and segregated portfolios invested mainly in equities and fixed interest securities. The business is diversified across asset classes, products and clients. The EMEA Group had AUM of US $218.1 billion across the region as at 31 December 2019 (2018: US $197.6 billion).

The EMEA Group's business activities are organised along functional business lines: Investment Management, Distribution, and Operations. These business lines work alongside enterprise support functions including Finance, Legal, Compliance, Internal Audit, IT and HR which form part of Invesco's global platform. These business and support activities are generally carried out by IUK pursuant to inter-company service agreements on behalf of one or more legal entities within the EMEA Group, including IPL, which contract with clients for the provision of services.

B.1.2 IPL Board

The IPL Board determines the company's business objectives and risk appetite and assesses the adequacy of its capital resources to meet the risks to which it is exposed taking account of IPL's business plans and financial forecasts for the financial year. At the same time, the governance framework described below helps to ensure that the IPL Board and its committees are informed of and able to identify deviations from strategic objectives, business plans and risk appetite and, accordingly, that they can consider the impact on the company.

The Board performs IPL's Own Risk and Solvency Assessment and approves the company's financial statements and this Solvency and Financial Condition Report. Persons responsible for the company's key functions: the investment management, risk management, compliance, internal audit and actuarial functions, all report to the Board of Directors.

The IPL Board is made up of three independent non-executive directors, one of whom acts as Chairman, and two executive directors. The table below shows the current Board members:

Current Board members	
Rachel Court	Chairman and independent NED
Julian Bartlett	Chairman, Audit and Risk Committee and independent NED
Colin Fitzgerald	Director
Mark Goodale	Independent NED
Alan Trotter	Chief Executive Officer

B.1.3 IPL Audit and Risk Committee

IPL has established an Audit and Risk Committee, reporting to the Board, whose objective is to promote high standards of conduct and ethical practice, financial reporting and related risk management systems and internal financial control, having regard to relevant laws and regulations. The Committee will report on areas highlighted by its review and monitoring process with recommendations, if appropriate, of actions that management should take. It will also oversee and advise the Board on the current risk exposures and future risk strategy of the Company, including strategy for capital and liquidity management, and the embedding and maintenance of a supportive culture in relation to the management of risk.

B.1.4 IPL Management Committee

IPL has also established a Management Committee whose role is to consider, assess and decide upon actions necessary to give effect to IPL Board requests and decisions; and to review and monitor the activities of business functions conducted by the EMEA Group on behalf of IPL, including the oversight of third party outsourcing, and ensure these are consistent with the objectives and policies adopted by the Board.

B.2 Fit and proper requirements

The Invesco group places great importance on the fitness and propriety of its employees and officers.

Procedures are in place to conduct verification checks on all employees including identity validation, employment history, education and qualifications, credit search, criminal records and directorships search. Staff in scope of the Senior Managers and Certification Regime (SMCR) including non-executive directors will have regulatory references taken that will cover their employment for the previous 6 years. Staff and Non-Executive Directors are required to notify during the course of their employment any criminal record or change of circumstance that would show up on a credit check. Standard background checks are carried out for staff who hold a senior manager function, including notified non-executive directors under the SMCR rules, and basic background checks are carried out for all other staff. Those employees holding a SMCR role are subject to formal re-checking every three years, unless there is a business requirement to do this sooner.

These checks are supported by a program of regulatory and financial crime awareness training conducted by the compliance team. This will cover a range of topics and a variety of methods, including web-based modules that can be delivered to all, or a wide group of staff in multiple jurisdictions. Regulatory training that is assigned to staff is mandatory and completion is monitored and reported to heads of business units. Staff are also required to self-certify each year compliance with the group's Code of Conduct and the Code of Ethics & Personal Trading Policy EMEA.

All staff are subject to an annual review of their competence, knowledge, skills and performance, with Senior Managers and Certified Individuals having an annual fitness and propriety assessment. There is an ongoing assessment of the competence status of employees who carry out an activity that is in scope of the FCA's formal Training and Competence requirements and ESMA's Knowledge and Competence requirements. Individuals in these roles are unable to perform their duties without supervision until they have formally been assessed as fully competent to do so.

B.3 Risk management system including the ORSA

B.3.1 EMEA group risk management framework

As a member of the Invesco EMEA Group, IPL is supported by an EMEA risk management framework which is established for the group and which is integrated into a "three lines of defence" model across all business functions (from the front office to corporate functions).

The three lines of defence model is designed to ensure that there is no conflict of interest in the management of risk and to ensure that the business lines, whilst managing day to day risk, are provided with adequate oversight and challenge. As such it helps ensure the integrity and effectiveness of the systems and controls implemented by the business lines. The model is based on the following key principles:

- Business units are the primary risk takers and risk owners in IPL's business activities. From a risk management perspective, business units will retain "first-line of defence" risk management responsibility.
- Independent (of risk taking) Risk Management functions and Compliance are primarily responsible for developing risk management standards and requirements for the front line as well as providing risk oversight, monitoring, and risk reporting. As such they represent a "second line of defence".
- Internal Audit constitute the "third line of defence" in the organisation and conduct regular assessments on the extent to which the risk and control environments – and specific areas therein – are functional, effective and comprehensive.

Each of the functions (and specifically those within the second and third lines of defence) provide management information to the IPL Audit and Risk Committee and, where appropriate, the IPL Board to enable them to oversee and challenge whether IPL's activities are being managed in accordance with the company's risk appetite and consider any potential impacts on its capital adequacy requirements.

B.3.2

IPL business strategy
The business strategy is developed by the Board with input from relevant parts of the EMEA Group business, and is reviewed annually.

The IPL Board of Directors has defined its primary objectives with respect to the management of the company as follows:
- Provide valuable products and services to customers while providing its shareholder with an economic return.
- Maintain the stability of the company's balance sheet so as to:
  - Provide a secure and consistent level of cover for its policyholder liabilities; and
  - Minimise the level of financial support required from the wider Invesco Group.
- Sustain the unit-linked AUM through sales of new business and increased persistency of existing policies.

While the Board also aims to deliver a stable return on investment to its shareholder, it will tolerate moderate year on year variances in profit as long as these variances do not have a material adverse impact on the primary objectives listed above.

B.3.3

IPL risk appetite
IPL's risk appetite is developed to support the business strategy and thus allows the Board to ensure that operational activities and processes are within the desired risk tolerances.

The Board accepts that risk to its objectives and uncertainty regarding future performance are necessary parts of carrying out its business and of offering and maintaining unit-linked business. In line with the objectives outlined above, the Board has defined its risk appetite in relation to the level of capital required to be able to meet regulatory capital requirements under normal and stressed conditions.

IPL's risk appetite has been set by the Board such that the Solvency II Capital Requirement (''SCR'') coverage ratio is expected to exceed 150%. If the coverage drops or is projected to drop below [150%] of the SCR, the Board will determine and implement the management actions required to increase SCR coverage.

Increased monitoring and reporting will be required if the capital coverage drops below 160% of the SCR and if the coverage drops, or is projected to drop, below 150% of SCR, the Board will consider what direct action should be taken to increase the SCR coverage. It is the Board's intention that the SCR coverage should never fall below 120%.

The Board has set out specific risk indicators relating to market risk, lapse risk, expense risk, new business risk and operational risks consistent with its risk appetite. These constitute the principal categories of risk to which the company is exposed.

B.3.4

Own Risk and Solvency Assessment
The ORSA is the process, owned by the Board, by which IPL assesses all the material risks inherent in its business, and determines its corresponding capital needs. It is intended to provide a link between the quantitative requirements of Pillar I of Solvency II, the qualitative requirements of Pillar II, and the firm's own strategy. In particular, the ORSA gives insight into the continued sustainability of the business in the context of the strategic objectives of the Board, the approved risk appetite, and the company's obligations to the policyholders.

Whilst the ORSA is a continuous process, it is recorded each year in a written report which is reviewed and approved by the Board. Looking forward from an agreed starting point each year, the report assesses the potential impact on the risk profile, capital position and profit levels of the business of a number scenarios materialising over the business planning period. These scenarios are considered and selected by the Board in relation to the key areas of risk and uncertainty.

The most recent ORSA report prepared was based on the company's balance sheet and in-force data as at 30 June 2019. The key finding of this is that Pillar I SCR continues to support IPL's risk appetite of 160% of SCR and the lower tolerance of 150% of SCR cover as reasonable levels of capital coverage within which to manage the firm's risk exposures.

The ORSA shows that the key risks to IPL's solvency are: persistency of the underlying policyholder contracts (persistency risk); levels of new business (NB risk); market risks, particularly equity risk; expense risk (including inflation risk); and operational risks. The ORSA also shows that there are some parameters over which IPL has little or no control that have the potential to cause volatility in the IPL solvency coverage ratio. These include: interest rates as measured by the EIOPA yield curve; the EIOPA symmetric adjustment; the assets underlying the GTR Pension Fund; and the performance of the GTR Pension Fund.

The solvency ratio as at 30 June 2019 was 210% and the Board is comfortable that this level will provide appropriate protection against short-term volatility in the parameters and risks listed above. IPL will continue to regularly monitor a range of metrics including the following: new business levels, the level of profit emerging on the business, fixed interest yields and the make-up of the GTR Pension Fund.

B.4 Internal control system

B.4.1 The first line of defence

The individual business lines and functional areas are responsible for identifying and assessing the risks to which they are exposed and for operating suitable controls to reduce those risks to within IPL's stated risk appetite.

As part of the control environment, a number of business committees have been established to help manage and oversee important business policies and activities.

The business lines provide regular reports to the IPL Board and Audit and Risk Committee on matters of significance to the Companies strategic objectives and risk appetite including business updates for Investment Management and Distribution, Operations reports and reports relating to significant new business initiatives or product development proposals, as well as matters that are escalated through the operational risk assessment process described below.

B.4.2 The second line of defence – Independent risk management

Risk Management is overseen by two distinct and independent second line EMEA teams: Operational Risk and Investment Risk oversight. Each team's activities and responsibilities are described below.

Operational Risk
Operational risk is generally defined as the 'risk of loss resulting from inadequate or failed internal processes or systems related to all areas and activities except those related to the core investment process'.

The EMEA Operational Risk Management framework is designed to implement risk management capabilities and mechanism to help the first line identify, assess and manage the organisation's operational risk exposures and to challenge and monitor these as well as provide independent reporting/assessment of these.

In addition, the Operational Risk team assists the business in the provision of the required information for Capital Scenario assessments and the production of the company's 'Own Risk and Solvency Assessment' report.

Investment Risk
The Investment Risk Oversight team is responsible for managing investment risk within the EMEA domiciled funds in accordance with the relevant investment objectives and policies and by applicable regulatory obligations. A Risk Profile and Limit System (RPLS) is established for each fund as part of the product development process and is periodically reviewed taking account of the investment strategies and restrictions of each fund. The team is also responsible for producing and maintaining all risk management policies and RPLS packs, monitoring portfolio risk limits (and where appropriate escalating potential limit breaches) and for preparing quarterly investment risk reports to the relevant boards.

The Investment Risk team produces a dashboard of key investment risk metrics to allow the IRF, the boards of the relevant funds and regulated entities and the EMEA Executive Committee and other interested parties to assess the overall risk profile of the funds.

B.4.3 The second line of defence – Compliance function

As a control function, the Compliance Department aims to:

- Educate the business through the interpretation of relevant regulation, the delivery of appropriate training and the provision of timely and accurate regulatory advice; and
- Assure Management and the Board that the business has established, implemented, and is maintaining adequate policies and procedures sufficient to ensure best practice compliance of the business with its obligations under the regulatory system.

Compliance provides quarterly assurance and escalation reports to the IPL Audit and Risk Committee providing information and analysis of monitoring activities and breaches, regulatory updates, and recommendations to improve compliance across the control environment.

B.5 Internal Audit Function

The Third line of defence

The Internal Audit Department provides independent and objective advice and assurance on the control environment which is designed to add value to and improve the firm's operations. These services are provided on an ongoing basis through a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal Audit reports to the IPL Audit and Risk Committee to provide assurance as to the design and effectiveness of the control environment. Internal Audit reports identify control weaknesses and gaps where action is required, ranking them by level of risk from minor to critical in order to focus management attention and resources where it is most needed.

The group is led by the regional Internal Audit Director, who has an independent reporting line directly to the Non-Executive Chair of the IPL Audit and Risk Committee. This structure allows the Internal Audit Department to maintain its independence. Internal audit staff are required to maintain independence and do not take part in the management of any other business functions.

B.6 Actuarial Function

IPL's operating model is simple, comprising a single line of business, and it is the only insurance entity in the Invesco group. Therefore, whilst essential, the actuarial services required to support IPL's business are not complex and IPL has operated using an external actuary to ensure that the function is performed by a person with knowledge and experience of the industry, and appropriate qualifications and skill. Oliver Gillespie, a Principal of Milliman LLP, holds the company's Chief Actuary function and his firm provides actuarial and related support services.

The business lines providing services to IPL, in particular the Finance team and the Independent Risk Function, work closely with Milliman and the Chief Actuary. They provide data to Milliman for the calculations of technical provisions and balance sheet projections and the Chief Actuary in turn provides specialist advice and opinions on risk management and policies.

The Chief Actuary maintains regular contact with the CEO and management team, attends meetings of the Board and the Audit and Risk Committee and provides reports to each such meeting.

B.7 Outsourcing

As noted in paragraph B.1.1 and in common with other regulated companies in the Invesco EMEA Group, substantially all IPL's day-to-day operations, including its key functions, are performed either by companies within the Invesco group or by external providers. Service agreements are in place with each provider.

Provider	Services	Location
Milliman LLP	Actuarial services	UK
JLT Benefit Solutions Limited	Administration of pension arrangements	UK
The Bank of New York Mellon	Fund accounting and administration	UK, Poland, Republic of Ireland, India
Invesco Asset Management Limited	Investment management and distribution	UK
Invesco UK Limited	Business and corporate support services	UK

Day to day oversight of the external administration service providers – BNY Mellon and JLT – is carried out by dedicated teams within Invesco. Oversight by Invesco of these service providers includes;

- Defined roles at Invesco with responsibility for the oversight of the services provided by BNY Mellon and JLT.Performance targets (KPIs) to assess the adequacy of service provision by BNY Mellon and JLT to IPL and its clients.
- Monthly service delivery reports received from BNY Mellon and JLT which provide metrics and key information relating to the services.
- Formal meetings held with BNY Mellon and JLT to review the delivery of services, risks, controls and action being taken to improve service levels or mitigate risks.
- Action plans agreed with BNY Mellon and JLT to remediate any incidents and processes agreed to escalate any performance issues.

Oversight by IPL of the operational functions performed by Invesco UK is carried out through the IPL Management Committee. Oversight of investment management and distribution is a central function carried out for the group as a whole with established teams and processes which report to the boards of the relevant funds and regulated entities. Oversight of the provision of actuarial services by Milliman is carried out by the IPL Board.

Invesco has a documented outsourcing policy which applies to its regulated entities in EMEA. The policy applies to outsourcing arrangements including external third party service providers and intra-group outsourcing within the Invesco group. It is applied proportionately and covers all aspects of how Invesco manages such outsourcing relationships over their entire lifetime, from start to finish, including inter alia:

- Definition as to what is an outsourcing
- Obligations on Invesco to remain responsible and accountable under the applicable regulatory system for the outsourcing
- What cannot be outsourced
- When to outsource
- Assessment of materiality and differences in applicability of the policy to material and non-material arrangements
- Selection of third party service providers
- Initial due diligence and risk assessment
- Approval requirements to proceed with an outsourcing
- Contractual requirements
- Governance and on-going due diligence
- Performance standards and monitoring
- Board reporting and escalation
- Exit and contingency planning
- Record keeping including the maintenance of outsourcing registers.

B.8 Any other information

There is no further information regarding IPL's system of governance.

Risk Profile

The key risks described below are those that the Board have identified as material risks in the ORSA.

The table below summarises the top risks to the company as determined by the Solvency II Solvency Capital Requirement. The percentages shown are of the total undiversified SCR:

Key Risks under Solvency II

	Year end 2019 Capital Requirement %	Year end 2018 Capital Requirement %
Lapse risk	54%	73%
Market risk – Equity	16%	18%
Operational Risk	16%	3%
Market risk – Credit Spreads	9%	5%
Expense risk	5%	3%

C.1 Underwriting Risk

As noted in A.2 above, IPL does not underwrite insurance benefits or give any kind of guarantees. The key components of underwriting risk are therefore lapse risk and expense risk.

C.1.1 Lapse risk

Lapse risk refers to the risk that the value of the company's assets under management falls due to an increase in fund outflows from disinvestments and leads to deterioration in the company's financial position.

The consequence of a high lapse rate on the company is that future income from the annual management charges (AMC) is reduced without a corresponding reduction in the fixed overhead expenses. Lapse risk therefore impacts profitability as income is reduced and impairs the Solvency II balance sheet through a fall in the present value of future profits.

IPL seeks to manage its exposure to lapse risk and its consequences by striving to achieve strong investment performance and high levels of customer service, so maintaining its competitive position. IPL's operational performance may also affect lapse rates and this risk is dealt with in paragraph C.5 below.

IPL monitors its fund flows and these are reported to the Board against KRIs. IPL also reviews stress test scenarios to assess the sensitivity to lapse risk as part of its ORSA process.

IPL's lapse risk as calculated under the Solvency II Standard Formula has decreased significantly over the year. This is a result of the IPL allocating 40% of its gross revenues to IAML and resulting in a significant reduction in retained revenue for IPL.

IPL's solvency position is sensitive to changes in the long-term lapse assumption. The sensitivity of the balance sheet is considered on a monthly basis through assessment of a plus and minus 1% sensitivity to the long term lapse rate assumption used in the calculation of the non-unit BEL. A 1% increase or decrease in the long term lapse rate assumption results in approximately a 15% change in the solvency ratio.

More extreme movements in lapse rates are considered as part of the ORSA scenario analysis, including mass lapse type scenarios and more extreme movements in the long term lapse rate assumption.

C.1.2 Expense risk

This is the risk that the level of expenses incurred by the company, whether directly or indirectly related to the TIP scheme business, will increase to a level (or at a rate) which is greater than expected, thereby reducing the level of profit.

IPL has structured the most significant components of its cost base such that they are also directly linked to the value of the assets under management in order that the mismatch between the income and the expenses is minimised. Specifically, investment management fees and distribution are charged as a proportion of AMC and scheme administration costs are charged as a proportion of the value of assets under management.

IPL has a contractual agreement with JLT for the administration of the scheme data such that fees are paid on the level of assets under management according to a tiered set of thresholds. As this expense and the fund management expense are contractually agreed they are not subject to the same level of uncertainty as the overhead expenses.

IPL also reimburses Invesco UK for the group resources it supplies to IPL. There is a risk therefore that IPL underestimates the amount of IUK resources needed for the operation of its business in the future; however, IPL monitors these costs closely and reports against prior periods, budget and forecasts.

IPL assesses the sensitivity of its balance sheet to a change in expenses as part of the ORSA process. It should be noted that, as a result of IPL's move to the new fee sharing arrangement its balance sheet is more sensitive to changes in the level of overhead expenses than the previous arrangement. An increase in the best-estimate overhead expense assumption of 50% results in a reduction in solvency ratio of 25% (results as at 30 June 2019).

C.2 Market Risk

Market risk refers to the risk of loss, or of adverse change in the financial position of IPL, resulting directly or indirectly from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments.

IPL's unit-linked policyholder liabilities are matched by appropriate asset holdings and therefore, after an adverse market event, policyholder assets will remain equal to the corresponding liabilities. Policyholder assets are invested in a range of investments and funds giving exposure to equity, bond and other markets that will be sensitive to fluctuations in equity valuations, credit spreads, interest rates and currencies. Such fluctuations may lead to changes in the value of the assets and policyholder liabilities.

IPL has additional exposure to fluctuations in interest rates because these affect the discount rates used in the calculation of the company's non-unit liabilities, the risk margin and the value of loans made by IPL to its parent company.

Certain of IPL's funds, including the GTR Pension Fund which makes up the majority of the company's AUM, have a significant exposure to financial derivative instruments and may well have a different exposure to market risks than the company's other funds investing primarily in equities and bonds.

As with high lapse rates discussed above, the effect of adverse market movements on IPL is to reduce assets under management, and thereby income and future profits.

IPL seeks to manage its exposure to market risk and its consequences in a number of ways:
- Each portfolio of assets supporting the unit-linked funds is subject to monitoring and controls against agreed risk metrics, limits and tolerances;
- A significant proportion of IPL's expenses are charged as a proportion of assets under management, which serves to mitigate the effect of loss of revenue caused by market events;
- Revenues and expenses are subject to monitoring and are reported against KRIs;
- The Board of IPL has no appetite for market risk in respect of its own funds which are invested, in sterling, in cash or liquid money market funds.

IPL assesses the impact of market risks on its profit and solvency position through stress and scenarios tests, carried out as part of the ORSA process. Scenarios include analysing the impact of changes in interest rates, equity markets, inflation rates and credit spreads. These demonstrate that IPL is able to withstand extreme changes in market conditions whilst continuing to meet regulatory requirements.

C.3 Credit Risk

Credit risk refers to the risk of loss, or of an adverse movement in IPL's financial position resulting from the failure of any third party to honour its financial obligations to IPL – this includes failing to honour them in a timely manner; and/or changes in the credit standing of issuers of securities, counterparties and any debtors to which IPL is exposed.

Credit risk or events of default relating to the company's unit-linked assets will give rise to changes in the price of these assets and the effects on IPL are essentially the same as those discussed under market risk in section C.2 above.

The failure, through a credit event or otherwise, of a third party provider of administration services is dealt with under operational risk in section C.5 below.

The balance of credit risk exposure consists principally of the bank counterparties, short-term instruments and intercompany loans in which IPL invests its own fund assets. These assets are invested subject to a risk management framework specifying risk metrics, limits and tolerances on credit ratings and single counterparty exposures.

Counterparty credit risk is a relatively low impact risk compared with underwriting risk and market risk.

C.4 Liquidity Risk

Liquidity risk refers to the risk of being unable to generate sufficient cash at efficient cost to meet financial obligations as they fall due under business as usual and stress scenarios.

In respect of IPL's unit-linked liabilities, these are exactly matched by appropriate assets and therefore, upon partial or full surrender of a TIP scheme, the assets underlying the investment funds can be sold in order to provide the funds for transfer without recourse to any non-linked assets. IPL is exposed to the risk that it is unable to realise the full value of the unit-linked assets, or in a timely manner to meet policyholder liabilities.

A significant majority of the unit-linked assets consist of shares in UCITS funds managed by Invesco, with the balance invested in predominantly liquid equities and bonds. All portfolios, including those of the underlying UCITS funds, are subject to monitoring and controls against agreed risk metrics limits and tolerances including stress and scenario tests.

IPL's non-unit related assets are invested almost exclusively in cash-type investments and are therefore freely and immediately available to pay any other liabilities that arise. The company's non-scheme and non-policyholder related payments such as payments to suppliers, tax, overhead expenses, etc. are relatively stable and can be funded directly from the highly liquid surplus assets held by IPL.

Liquidity risk is a relatively low impact risk compared with underwriting risk and market risk.

IPL has no contractual premiums, so there is no expected profit in future premiums.

C.5 Operational Risk

Operational risk refers to the risk(s) that the operational performance of IPL or its outsourced service provider deteriorates. This includes the occurrence of an adverse operational risk event.

IPL has exposure to operational risk in a number of areas: failure or errors in administration of schemes; failure to invest correctly; failure to comply with legal or regulatory requirements; failure of a third party administrator; fraud; loss of key personnel and others.

Different operational risk scenarios can result in a range of adverse outcomes such as lower revenues through loss of clients, higher on-going expenses, large one-off costs, reputational damage and others.

The Operational Risk Management framework supports the business in the management of operational risks and in the implementation of suitable controls.

At a high level, core Operational Risk Management processes include:
- the facilitation and coordination of Risk and Control Self-Assessments ("RCSA") and independent challenge of risks raised by the business.
- Incident Management and Reporting (management of errors and incident workflow within an internal Risk Management System; independent follow up on logged incidents; ensuring effective mitigation and investigation of any potential trends for systemic issues).
- Board/Committee reporting on key areas of risks (including Key Risk Indicators); reporting to IPL Audit and Risk Committee.
- Coordination of the operational risk capital scenarios based on a range or risk data including losses, RCSAs and external events.

Conduct risks (which include risks associated with the attitude and behaviours of Invesco employees that influence business decisions and actions which in turn impact the outcomes for Invesco clients, employees and shareholders) are embedded in departmental risk profiles and may be escalated as deemed appropriate.

A number of operational risks, including those arising from third-party administrators, the loss of key personnel, the impact of a cyber and data risk and the impact of a compliance breach, are assessed. While such scenario's generally impact profitability, the results show that IPL is able to continue to meet regulatory solvency requirements under such scenarios.

IPL's operational risk as calculated under the Solvency II Standard Formula has decreased significantly over the year. This is a result of the IPL allocating 40% of its gross revenues to IAML, which results in a significant increase in unit-linked expenses used for the purpose of calculating the Solvency II operational risk capital requirement.

C.6 Other material risks

IPL has exposure to other risks, including but not limited to asset-liability matching risk, and concentration risk. Relative to those described above, these represent lower impact risks, but are the subject of risk management policies and are monitored and controlled using the same risk management framework as the major risks.

C.7 Any other information

Prudent Person Principle

According to Article 132 of Directive 2009/138/EC, all investments held by insurance and reinsurance undertakings should be managed in accordance with the "Prudent Person Principle".

The Prudent Person Principle requires companies to only invest in assets and instruments:
- that they can properly identify, measure, monitor, manage, control and report;
- that ensure the security, quality, liquidity and profitability of the portfolio as a whole;
- that are appropriate to the nature and duration of the company's insurance and reinsurance liabilities; and
- that are in the best interest of policyholders and beneficiaries.

IPL fulfils the obligations of the prudent person principle. The majority of IPL's assets are unit-linked contracts whereby the policyholders choose their own investments. For non-policyholder assets, IPL invests almost exclusively in cash-type investments.

D.1 Assets

D.1.1 Total Assets

The total value of assets held by IPL on a Solvency II and Financial Statement basis as at 31 December 2019 and 2018 were as follows:

IPL Asset Holding, as at December 2019 (£m)

	Per Solvency II	Per Financial Statements	Difference
Assets held to match linked liabilities	8,183.4	8,183.4	–
Reinsurers' asset	0.2	0.2	–
Intra-group loan to parent	31.2	30.0	-1.3
Investments	37.0	37.0	–
Cash and cash equivalents	29.6	29.6	–
Trade receivables	0.4	0.4	–
Other	13.7	13.7	–
Total	**8,295.6**	**8,294.4**	**-1.3**

IPL Asset Holding, as at December 2018 (£m)

	Per Solvency II	Per Financial Statements	Difference
Assets held to match linked liabilities	8,938.8	8,938.8	–
Reinsurers' asset	0.2	0.2	–
Intra-group loan to parent	30.7	30.0	-0.7
Investments	56.8	56.8	-
Cash and cash equivalents	39.6	39.6	-
Trade receivables	0.9	0.9	-
Other	9.9	9.9	-
Total	**9,076.9**	**9,076.2**	**-0.7**

Total assets on a solvency II basis fell by £781m over the year. The reduction is largely attributable to:
- £755.4m reduction in AUM following significant outflows during 2019.
- The payment of a £45m dividend from IPL's non-policyholder assets

There have been no changes to recognition or valuation bases for assets during the year.

D.1.2 Unit-linked Assets

For IPL, the unit linked assets in respect of amounts invested in Invesco investment funds are valued at market value (bid price at midday on the last business day of the year). A breakdown of the value by fund, is given below.

IPL unit fund values (£m)

Fund name	31 Dec-19	31 Dec-18
Invesco Global Targeted Returns Pension Fund	6,924	7,807
Invesco Balanced Risk 8 Pension Fund	345	299
Invesco UK Equity Pension Fund	155	173
Invesco Balanced Risk 10 Pension Fund	105	68
Invesco Managed Pension Fund	100	105
Invesco Global Equity Growth Pension Fund	92	79
Invesco UK Equities Pension Fund	86	72
Invesco UK Smaller Companies Equity Pension Fund	83	61
Invesco Growth Managed Pension Fund	70	65
Invesco Global Equity ex UK Pension Fund	68	54
Invesco Fixed Interest Pension Fund	49	43
Invesco Global Equity Pension Fund	40	43
Invesco European Equity Pension Fund	33	35
Invesco International Equity Pension Fund	17	17
Invesco Cash Pension Fund	7	8
Invesco UK Corporate Bond Pension Fund	4	6
Invesco Long Gilt Pension Fund	4	4
Invesco Global Targeted Income Pension Fund	1	0
Invesco UK Enhanced Index fund Class 7	0	0
Total	**8,183**	**8,939**

Total unit-linked assets decreased from £8.9bn to £8.2bn primarily due to outflows over 2019.

The unit-linked assets are valued at fair value in the financial statements and under Solvency II.

The company uses bid prices to value its quoted financial investments which management believe to be representative of fair value. Actively traded investments without quoted prices are valued using external broker bid prices. If there is no active established market for an investment, the company applies an appropriate valuation technique such as discounted cash flow technique.

The fair value of the unit-linked assets is categorised as follows as at 31 December 2019:
- **Level 1** – fair value based on quoted prices in active markets for identical assets;
- **Level 2** – fair values based on valuation techniques using observable inputs other than quoted prices within level 1; and
- **Level 3** – fair values based on valuation techniques using inputs that are not based on observable market data.

Unit-linked assets at fair value (£'000s)

	Dec-19	Dec-18
Level 1	8,124,386	8,881,671
Level 2	51,708	47,284
Level 3	7,338	9,847
Total	**8,183,432**	**8,938,802**

Level 3 assets include financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The fair values for investments are generally sourced from third parties. The fair values of securities are based upon quoted market values where available, or "evaluated bid" prices provided by third party pricing services ("pricing services") where quoted market values are not available.

The pricing services use market approaches to valuations using primarily Level 2 inputs in the vast majority of valuations, or some form of discounted cash flow analysis, to obtain investment values for a small percentage of securities for which they provide a price.

Standard inputs to the valuations provided by the pricing services listed in approximate order of priority for use when available include: reported trades, benchmark yields, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data. The pricing services may prioritise inputs differently on any given day for any security, and not all inputs listed are available for use in the evaluation process on any given day for each security evaluation; however, the pricing services also monitor market indicators, customer feedback through a price challenge process and industry and economic events. Information of this nature is a trigger to acquire further corroborating market data.

When these inputs are not available, they identify "buckets" of similar securities (allocated by asset class types, sectors, sub-sectors, contractual cash flows/structure, and credit rating characteristics) and apply some form of matrix or other modelled pricing to determine an appropriate security value which represents their best estimate as to what a buyer in the marketplace would pay for a security in a current sale. Prices provided by independent pricing services and independent broker quotes can vary widely even for the same security. The inherent nature of the vast majority of these assets means that, in normal market conditions, there is unlikely to be significant change in the specific underlying assets classified as level 3. There were no significant changes to inputs or valuation methods during 2019.

D.1.3 Non-linked assets

The company's non-linked assets have been split into a number of distinct categories, as set out below:

- Reinsurance asset – the present value of the payments expected to arise in respect of IPL's in-payment annuities.
- Intragroup Loan – three £10 million loans from IPL to Invesco UK.
- Cash and Short-Term Money Market Instruments – i.e. the cash deposits currently held with three banks: HSBC, RBS, MUFG and an institutional money market fund managed by Invesco, Short-Term Investment Company (Global Series) plc (STIC Global).
- Trade receivables and other – comprises trade debtors, accrued income and prepayments

The three valuation approaches defined under Solvency II are set out in the table below along with a description of the assets have been valued under each method.

1. Category	2. Description	3. Asset
Market Approach	Uses prices and other relevant and observable information generated by market transactions involving identical or similar assets, liabilities or group of assets and liabilities.	– Cash and Short-Term Money Market Instruments – i.e. the cash deposits currently held with three banks, HSBC, RBS and MUFG, and the STIC Global fund.
Income Approach	Converts future amounts, such as cash flows or income or expenses, to a single 'Present Value' current amount.	– Reinsurance Asset – the (notional) present value of the payments expected to be received in respect of IPL's in-payment annuities. – Intragroup Loan – three £10 million loans from IPL to Invesco UK.
Cost Approach	Reflects the amount that would be required currently to replace the service capacity of an asset.	– Trade receivables and other.

D.1.4

Non-linked assets: Reinsurance asset
IPL has a small block of wholly reinsured in-payment annuities. The policies are administered by the reinsurer and the reinsurance asset is notional in the sense that IPL will not receive any future payments from the reinsurer. Gross (of reinsurance) policyholder liabilities must be included within the best estimate liability calculation. The discounted value of best estimate cash flows expected to arise on any reinsurance contracts are shown on the asset side of the balance sheet.

The value of the reinsurance cash flows is adjusted to allow for expected defaults, where the default adjustment is based on the probability of default and the loss given default. The probability of default is based on the credit rating of the reinsurer as at the valuation date.

D.1.5

Non-linked assets: Intragroup loan – alternative valuation basis
IPL has issued £30m of loans to its holding company within the Invesco Group. In order to comply with Solvency II regulations, the value of the intragroup loan is taken to be the discounted value of the future proceeds on the loan discounted using the EIOPA risk free rates. An allowance has been made for default by deducting an amount derived from the probability of default (based on Invesco UK's credit rating) and a loss given a default (based on the value of the loan).

The probability of default is taken as Invesco UK's one year default probability based on its credit rating (i.e. an A grade credit rating) and the loss given default is taken to be the face value of the loans i.e. £30m.

D.1.6

Non-linked assets: cash and cash equivalents
IPL holds a small proportion of its non-scheme related assets in three bank deposit accounts (HSBC, RBS, MUFG).

Cash and cash equivalents are defined as follows:
- Cash = cash on hand + demand deposits
- Cash equivalents = short-term, highly liquid investments which are:
  - (1) readily convertible to cash at the known amounts; and
  - (2) subject to insignificant risk of value changes

Cash and cash equivalents comprise cash at hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less are classified as financial instruments and valued at face value.

D.1.7

Non-linked assets – Investments (short term money market instruments)
The majority of IPL's non-scheme related assets are held in a collective investment scheme (i.e. STIC Global). This is valued at face value in the financial statements and under Solvency II.

D.1.8

Non-linked assets -Trade receivables and other
Trade receivables and other comprises trade debtors, accrued income and prepayments. These are taken at their balance sheet value as reported in IPL's financial accounts. For year-end 2019, these amounted to £14.1m (2018: £10.8m).

D.1.9

Differences between valuation methods
In the financial statements the intragroup loans are valued at book value versus a present value (discounted value of the future proceeds) on a solvency II basis, resulting in a difference of £1.3m. There are no other material differences between the bases, methods and main assumptions used for the valuation of the above assets for solvency purposes, and those used for the valuation in financial statements.

D.2 Technical Provisions

D.2.1

Homogenous Risk Groups ("HRG")
The majority of IPL's business consists of unit linked long-term business with no guarantees, options or enhanced surrender terms. These contracts are, in the main, Trustee Investment Plans ("TIPs"). The company also maintains a small portfolio of non-profit annuities which are 100% reinsured.

IPL therefore has 2 distinct HRGs which directly correspond to the above 2 product classes:
i. The TIP schemes ('HRG1'), and
ii. The in-payment annuities ('HRG2').

Technical provisions are calculated separately for these two product groups. The net (of reinsurance) technical provisions for HRG2 are immaterial as the business within this HRG is fully reinsured and the gross technical provisions are very small relative to IPL as a whole (less than 1% of total technical provisions). The risk margin for annuities is zero.

The transitional measure on technical provisions ("TMTP") has therefore been 100% allocated to HRG1, which corresponds to the IPL's in-force TIP business.

D.2.2

Best Estimate Liabilities

The best estimate liabilities ("BEL") under Solvency II is defined as the "probability weighted average of future cash flows taking account of the time value of money." The best estimate liabilities can be broken down as follows:

- The unit-linked liability in respect of the in-force TIP schemes. This is taken as the market value of the unit-linked fund holdings.
- The non-linked liability in respect of the in-force TIP schemes. This is valued as the projected value of future non-unit related cash flows including those into the business such as annual management charges ("AMC"), and cash flows out from the business such as commission and expenses. The cash flows are discounted using a risk free rate (the prevailing EIOPA yield curve) and valued using best estimate assumptions.
- The BEL in respect of the in-force annuities.

The following tables set out the main assumptions used to calculate the technical provisions as at 31 December 2019 and 2018:

Solvency II Pillar 1 – TIP Scheme BEL Assumptions

Assumption	2019	2018
Economic		
Expense Inflation	3.50%	3.75%
Unit Growth Rate	EIOPA Yield Curve	EIOPA Yield Curve
Discount Rate	EIOPA Yield Curve	EIOPA Yield Curve
Lapse Rate		
TIP scheme lapse rate	14.0%	10.50%
Expenses		
Ongoing Overhead Expenses	£2,031k	£2,470k
Scheme Administration Fees	Tiered charge structure	Tiered charge structure
Fund Management Fees	80% of AMC	40% of AMC

The lapse rate assumption has been increased for the year-end 2019 calculation, in order to reflect higher lapse rate experience. The increase in contractually agreed fund management fees, reflects the change in revenue sharing policy referred to in paragraph A.1.

Solvency II Pillar 1 – Annuitant Longevity Assumptions

	2019	2018
Males		
Base Mortality Table	PMA08	PMA08
Proportion of Base Table	90.00%	94.00%
Improvement Model	CMI 2017	CMI 2016
Proportion of Improvement Table	100%	100%
Long Term Rate	1.50%	1.50%
Females		
Base Mortality Table	PFA08	PFA08
Proportion of Base Table	91.00%	91.00%
Improvement Model	CMI 2017	CMI 2016
Proportion of Improvement Table	100%	100%
Long Term Rate	1.00%	1.00%

The annuity basis has been amended relative to the year-end 2018 recommendation. In particular, the proportion of the base table applied for males has been decreased from 94% to 90% and the improvement model has been updated from the CMI 2016 model to the CMI 2017 model. More information on the assumptions and level of uncertainty associated with them is given in Section D.2.6.

D.2.3 Risk Margin

Actuarial judgement has been used in calculating the Risk Margin for IPL in line with Article 58 of the Delegated Regulation.

In line with Article 58 (a), for the purposes of calculating the risk margin for the 2019 Solvency II balance sheet, IPL has projected each individual SCR component using separate measures to approximate the value of the SCR at each future time period.

SCR Component	Measure used to forecast capital requirement
Lapse Risk	Runs off in line with the non-unit best estimate liability, unless this becomes positive at which point it runs off in line with the unit best estimate liability
Expense Risk	Runs off in line with the best estimate liability
Counterparty Default Risk	Remains constant throughout the projection
Operational Risk	Runs off in line with the assets under management ("AUM")

For IPL, market risks i.e. equity, spread and interest rate risk are classed as 'hedgeable risks' and are therefore not included in the risk margin calculation.

D.2.4 Technical Provisions

The following table shows the technical provisions as at 31 December 2019:

IPL Solvency II Balance Sheet, £m	Dec-19	Dec-18
Assets		
Market value of assets	8,295.6	9,076.9
Technical Provisions		
Unit-linked liability	8,183.4	8,938.8
Non-unit liability	-39.5	-254.7
Annuities	0.2	0.2
Risk margin	31.7	100.0
Subtotal	**8,175.8**	**8,784.3**
Excess Assets (before TMTP, Other liabilities and Deferred Tax)	**119.8**	**292.6**

The Non-unit liability has fallen by £215.2m to £39.5m as at the end of December 2019, largely due to the change in revenue sharing policy referred to in paragraph A.1.

The Risk margin has decreased by £68.3m to £31.7m; this is also primarily due to the change in revenue sharing policy referred to in paragraph A.1.**The Unit-linked liability** has decreased by £755.4m over the year and the current in-force portfolio of TIP schemes are divided as follows:

TIP Scheme by source	2019 Unit-linked Reserve £m	2018 Unit-linked Reserve £m
Corporate (GTR)	6,924.1	7,806.6
Corporate (BR8/BR10)	450.2	366.7
Corporate (Other)	709.1	644.5
Retail	100.0	121.1
Total	**8,183.4**	**8,938.8**

D.2.5

Contract Boundaries

For unit-linked business, the contract boundary is the point beyond which future premiums and associated obligations (i.e. charges and expenses) will not be considered in the cash flow projection of the contract.

For IPL the contract boundary is assumed to be immediate and in the cash flow projection of in-force TIP schemes future premiums are not taken into account. There is no obligation for scheme-holders to make future premiums in respect of the TIP schemes which means that forecasting any future premium contributions for inclusion in the cash flow projection is unreliable. Therefore the future charges and expenses allowed for within the calculation of the BEL relate only to the existing AUM. This has the effect of assuming the contracts are 'paid-up' at the valuation date. The approach adopted is consistent with EIOPA Q&A 827 on contract boundaries (13 September 2016) and the PRA letter to Chief Actuaries (13 July 2018).

There has been recent discussion in the industry with respect to the PVFP included in the balance sheets of firms writing unit-linked business and whether it should be calculated over a long or short projection period. IPL presently calculates its PVFP using a long projection period.

D.2.6

Level of uncertainty associated with the technical provisions

The calculation of the technical provisions is exposed to uncertainty through the use of best estimate assumptions and any uncertainty in the completeness and accuracy of the data. The assumptions used in the calculation of the best estimate liability are outlined above and are listed below together with a comment of the degree of uncertainty contained within each assumption. There is no further uncertainty contained within the calculation of the technical provisions.

The impact of changes to the best estimate assumptions is considered, amongst other things, as part of the ORSA.

D.2.7

Expenses

The assumptions in respect of future fund-related expenses are set with reference to the corresponding contractual agreements. These agreements are expected to remain in place at least over the short-to medium-term, and the level of uncertainty associated with these assumptions is therefore limited to the extent that the contracts are renegotiated in the long-term. As noted in paragraph 3.4 above, the contractual arrangements with JLT Benefit Solutions for policyholder administration provides for the fee rate to change at different levels of AUM. If the AUM were to fall below £1.5 billion agreement with JLT Benefit Solutions would be renegotiated and, for modelling purposes, it has been assumed that if AUM were to fall below £1.167 billion the charges payable would revert to those set out in the 2017 agreement.

The expense assumption regarding the administrative expenses is unchanged for 2020, reflecting previously agreed fee rates.

The other expenses are set with reference to IPL's expense forecast and business plan. These expenses are subject to salary and cost inflation which are uncertain and somewhat outside of the company's control. The inflation assumption is set with reference to a market consistent view of long-term inflation.

D.2.8

Persistency

The persistency assumption is significant for the calculation of PVFP, the SCR and the technical provisions. Persistency experience is analysed and monitored on a monthly basis by the Actuarial Function and observed experience, together with the expert judgement of the senior sales and marketing team, has informed the Board's best estimate long-term lapse rate assumption for the business.

D.2.9

Unit growth rate and discount rate

IPL's economic assumptions are consistent with the assumption in respect of future unit growth, which is taken to be the same as that set out by EIOPA. There is no allowance for future variation or any volatility in the future economic assumptions as the cash flow projection is deterministic.

D.2.10

Data

The data used for the purposes of calculating the solvency position of the firm as at 31 December 2019 is complete and accurate and meets the requirements set out in IPL's data policy.

D.2.11

Differences between valuation methods

There are no material differences between the bases, methods and main assumptions used for the valuation of the technical provisions for solvency purposes, and those used for the valuation in financial statements, other than those disclosed in section E.1.4.

D.2.12 Matching adjustment, volatility adjustment and transitional risk-free interest rate term structure

IPL does not make use of the matching adjustment, volatility adjustment or transitional measure on the risk-free interest rate term structure.

D.2.13 Transitional Measure on Technical Provisions (unaudited)

IPL applied for permission to use the transitional measure on technical provisions ("TMTP") in June 2015 and received formal notice of approval from the regulator on 19 November 2015. The TMTP has been recalculated as at 31 December 2019 in line with the requirement to recalculate at least every 2 years. The Financial Resources Requirement does not bite.

The following table shows the effect on IPL's balance sheet as at 31 December 2019 of applying the recalculated TMTP.

	Solvency II Pillar 1 Balance Sheet - YE 2019 (£'000)		Impact of TMTP (£'000)
	without TMTP	with TMTP	Δ Solvency II
Unit-Linked Assets	8,183,432	8,183,432	0
Non-Linked Assets	112,216	112,216	0
Other Liabilities	-20,892	-24,477	-3,585
Total Assets	**8,274,756**	**8,271,171**	**-3,585**
Unit-Linked BEL	8,183,432	8,183,432	0
Non-Linked BEL	-39,547	-39,547	0
Annuities	216	216	0
Risk Margin	31,722	31,722	0
TMTP	0	-21,086	-21,086
Technical Provisions	**8,175,824**	**8,154,738**	**-21,086**
Own Funds	**98,932**	**116,433**	**17,501**
Capital Requirement (SCR)	52,521	48,936	-3,585
Capital Requirement (MCR)	23,634	22,021	-1,613
Solvency Ratio	**188%**	**238%**	**50%**

Table: unaudited

The TMTP is calculated as the difference between the reserves / technical provisions under Solvency II and the Individual Capital Assessment ("ICA"). For the 2019 year end, this resulted in a TMTP of £21.1m (2018: £25.6m). Subject to the bi-annual recalculation, the TMTP will run-off linearly over 12 years.

D.2.14 Reinsurance recoverables

The value of the reinsurance cash flows are adjusted to allow for expected defaults, where the default adjustment is based on the probability of default and the loss given default. The probability of default is based on the credit rating of the reinsurer as at the valuation date.

The annuity book is reinsured through Royal London, which has a credit rating of 'A' as at 31 December 2019. The associated probability of default has therefore been set at 0.06% in line with the S&P 2018 Annual Global Corporate Default Study and Rating Transitions.

D.2.15 Material changes between reporting periods

During 2019 the Board resolved to adopt a long-term lapse rate assumption of 14 per cent per annum (2018: 10.5%). This reflected observed lapse rates consistently higher than 10.5% over recent years, while recognising that the bulk of the company's book of business is relatively young and quite concentrated. This assumption change reduced the PVFP by £11.2 million.

Additionally, the fund management fee assumption change reflecting the change in revenue sharing policy referred to in paragraph A.1 has materially impacted the technical provisions relative to the previous reporting period. This assumption change reduced the PVFP by £197.9 million and reduced the risk margin by £67.3 million over the year.

There have been no other material changes to the assumptions or methodology used in the calculation of technical provisions relative to the previous reporting period.

D.3 Other liabilities

The following table summarises the IPL's 'Other Liabilities' as at 31 December 2019 and 2018.

IPL Other Liabilities, as at December 2019 (£m)

	Per Solvency II	Per Financial Statements	Difference
Amounts due to other group undertakings	11.3	11.3	-
Accruals and deferred income	0.2	0.2	-
Corporation tax	2.4	2.4	-
Other	5.4	5.4	-
Deferred tax	5.1	0.0	5.1
Total Other Liabilities	**24.5**	**19.3**	**5.1**

IPL Other Liabilities, as at December 2018 (£m)

	Per Solvency II	Per Financial Statements	Difference
Amounts due to other group undertakings	3.5	3.5	-
Accruals and deferred income	0.2	0.2	-
Corporation tax	4.8	4.8	-
Other	5.8	5.8	-
Deferred tax	30.8	0.0	30.8
Total Other Liabilities	**45.1**	**14.3**	**30.8**

Other liabilities are reported at fair value for Solvency II and in financial statements in line with FRS 101. Total liabilities on a Solvency II basis decreased by £20.7m over the year.

D.3.1 Deferred Tax

A deferred tax liability arises due to the difference between the statutory measure of policyholder liabilities and the loan and the Solvency II measure of technical provisions and the loan. The deferred tax liability has been calculated at a rate of 17% and has been valued in full. The deferred tax liability results in a corresponding reduction in the SCR due to the loss-absorbing capacity of deferred taxes. Deferred taxes comprise the amount of income taxes payable or recoverable in future periods in respect of taxable temporary differences.

D.4 Alternative methods for valuation

There are no material differences between the bases, methods and assumptions used for the valuation of other liabilities for solvency purposes and those used for IPL's valuation in financial statements. IPL has not used any alternative valuation methods in accordance with Article 10(5) of the Delegated Regulation for valuation of its liabilities.

D.5 Any other information

There is no other material information regarding the valuation of assets and liabilities for solvency purposes.

Capital Management

E.1 Own funds

E.1.1 Objectives, policies, process and time horizon used for business planning for IPL's own fund

IPL's business plan and objectives are prepared and assessed on a rolling 5 year period and consider the company's current solvency position, future expense budgets, planned new business levels and various other developments such as the launch of new products or the potential renegotiation of outsourcing agreements.

IPL manages its capital and own funds such that it maintains an appropriate coverage ratio of its capital requirements.

The Board is keen that day to day market fluctuations can be tolerated without recourse to management actions and therefore has decided that, in normal business conditions, it will target an overall requirement for IPL to hold capital of approximately 160% of the SCR capital requirements under the Solvency II regime. 160% of the SCR is known as the "target operating level" of IPL's SCR coverage.

Management actions will be taken when capital resources fall, or are projected to fall, below 150% of the Solvency II SCR. These actions will include:
- More frequent monitoring: weekly by risk, finance and actuarial and regular reports to the Board (by email with a conference call if the CEO believes it is necessary).
- A formal exercise by finance and actuarial to re-do the projections and some sensitivities regarding possible future effects on coverage of the SCR. These sensitivities would be expected to include at least market scenarios and new business scenarios.

Having taken the above action, if the capital coverage were to fall to 120% then a Board meeting would be convened (in person or by phone) and measures to directly increase the capital coverage of the Solvency II SCR back to 150% would be taken. These actions would include (but are not limited to) limiting new business levels and requesting a capital injection from Invesco UK. 120% is known as the "lower tolerance" of IPL's SCR coverage in the context of the Board's risk appetite.

E.1.2 Classification of Own Funds

The source of the capital held within IPL is either paid-in share capital or retained earnings. Consistent with Article 69 (a) (i) & (v) of the Solvency II Delegated Act, this has been classified as tier 1 basic own funds. IPL does not have any ancillary own funds and all capital held within IPL is therefore eligible to cover the Solvency Capital Requirement and the Minimum Capital Requirement.

The following table set out the total own funds:

IPL Own Funds £'000

	31 Dec 2019	31 Dec 2018
Share capital	19,876	19,876
Share premium	35,000	35,000
Reconciliation reserve	61,557	218,277
Total Own Funds	**116,433**	**273,153**

Total own funds decreased by £156.7m from £273.2m to £116.4m over the year:
- There were no changes to share capital or share premium during the year.
- The reconciliation reserve comprises:
  - Retained profits of £36.5m (2018: £68.1m)
  - Solvency II adjustments of £25.1m (2018: £150.2m) as detailed in section E.1.3 below.

The retained profits have reduced over the year due to a dividend payment made during June 2019. The reduction in the Solvency II adjustments over the year reflects the allocation of 40% of IPL's gross revenues to IAML, increasing the total revenues shared with the Group from 40% to 80%. This change has reduced the PVFP and risk margin over the year, consequently reducing the Solvency II valuation adjustments.

E.1.3

Eligible own funds to cover SCR and MCR
The following tables sets out the Solvency II balance sheet as at 31 December 2019 and 2018, including the amount of eligible own funds to cover the SCR and MCR.

IPL Balance Sheet 31 Dec 2019 (£m)	Per Solvency II	Per Financial Statements	Difference
Assets			
Market value of assets	8,295.6	8,294.4	1.23
Liabilities			
Unit-linked liability	8,183.4	8,183.4	-
Non-unit liability (PVFP)	-39.5	-	-39.5
Annuities	0.2	0.2	-
BEL	**8,144.1**		
Risk margin	31.7	-	31.7
TMTP	-21.1	-	-21.1
Technical provisions	**8,154.7**	**8,183.6**	**-28.9**
Deferred tax	5.1	-	5.1
Other liabilities	19.3	19.3	-
Total Liabilities	**8,179.2**	**8,203.0**	**-23.78**
Own Funds	**116.4**	**91.4**	**25.01**
MCR	22.0		
SCR	48.9		
Surplus	**67.5**		
Own Funds / SCR ratio	**238%**		
Own Funds / MCR ratio	**529%**		

IPL Balance Sheet 31 Dec 2018 (£m)	Per Solvency II	Per Financial Statements	Difference
Assets			
Market value of assets	9,076.9	9,076.2	0.7
Liabilities			
Unit-linked liability	8,938.8	8,938.8	-
Non-unit liability (PVFP)	-254.7	-	-254.7
Annuities	0.2	0.2	-
BEL	**8,684.3**		
Risk margin	100.0	-	100.0
TMTP	- 25.6	-	-25.6
Technical provisions	**8,758.7**	**8,939.0**	**-180.3**
Deferred tax	30.8	-	30.8
Other liabilities	14.3	14.3	-
Total Liabilities	**8,803.7**	**8,953.3**	**-149.6**
Own Funds	**273.2**	**122.9**	**150.2**
MCR	61.0		
SCR	187.1		
Surplus	**86.1**		
Own Funds / SCR ratio	**146%**		
Own Funds / MCR ratio	**448%**		

E.1.4 Differences in valuation methodology

The value of own funds on a Solvency II basis totals £116.4m (2018: £273.2m), which is £25.1m (2018: £150.2m) greater than own funds per financial statements of £91.4m (2018: £122.9m)

The difference primarily relates to the following items that are not recognised under statutory accounting standards – the non-unit BEL/present value of future profits ("PVFP"), risk margin and TMTP.

E.1.5 Ancillary own funds, transitional arrangements and any other restrictions on own funds

As previously mentioned, all of IPL's own funds are classified as Tier 1 Basic Own Funds, therefore IPL does not have any ancillary own funds. IPL does not apply transitional arrangements to its own funds, and there are no other restrictions affecting the availability and transferability of own funds within IPL. There are no items deducted from own funds.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The table below shows IPL's SCR and MCR as at 31 December 2019 and 2018.

IPL Solvency Capital Requirements, £m	31 Dec. 2019	31 Dec. 2018
MCR	22.0	61.0
SCR	48.9	187.1

E.2.1

Calculation of the SCR
The table below shows IPL's SCR as at 31 December 2019, split across each of the different risk modules.

IPL – SCR
Capital Impact, £m

	YE 2019
$SCR_{market\ risk}$	14.7
$SCR_{default}$	5.6
SCR_{life}	35.4
SCR_{health}	-
$SCR_{non\text{-}life}$	-
Diversification benefit	(12.1)
BSCR	**43.5**
SCR_{op}	10.3
Adj	(4.9)
SCR	**48.9**

The SCR has also been adjusted for the loss-absorbing effect of the deferred tax liability ("Adj"). The total deferred tax liability as at 31 December 2019 is £5.1m. The deferred tax liability in respect of IPL's PVFP is £4.9m and this is deemed to be loss-absorbing under the Solvency II regulations. The SCR is therefore reduced by an equivalent amount.

The portion of the deferred tax liability that is assumed not to be loss absorbing is that in respect of the intragroup loans and is £0.2m.

In respect of the mass lapse stress included in the SCR calculation, it is assumed that, after five years, a management action is taken to reduce the level of fixed expenses to 40% of their original value.

E.2.2

Change in the value of the SCR
Given the nature of IPL's business, where the unit-linked liability is matched exactly with unit-linked assets, and that the non-linked assets are invested in low risk and / or cash type instruments, the effects of the insurance risk, market risk, and credit risk stresses on IPL are determined by considering their effect on IPL's PVFP.

Future profits are driven by net annual management charges on the AUM and so, given that the IPL's AUM declined during the year, the PVFP of the in-force business also decreased. This means that the impacts of the standard formula stress tests have also decreased.

Additionally, the reduction in the proportion of AMC retained by IPL (due to the change in the in revenue sharing policy) has further reduced the standard formula stress tests.

E.2.3

Simplifications applied to standard formula capital calculations
An approximate approach has been applied for the market risk stress tests in respect of IPL's Global Targeted Risk Fund ("GTR Fund") and the Balanced Risk Funds ("BR8 Fund", "BR10 Fund") using the look-through stress tests. Where necessary the results of these internal stress tests have been scaled to be consistent with the standard formula parameterisations of the corresponding SCR stress tests.

E.2.4

Undertaking-specific parameters within the standard formula
IPL has not used any undertaking-specific parameters in its year-end 2019 solvency valuation.

E.2.5

Capital add-ons
There has been no capital add-on imposed on IPL's SCR for the year-end 2019 solvency valuation.

E.2.6

Calculation of the MCR
The MCR is calculated using a formula based on technical provisions (excluding the risk margin) and capital at risk but must be no lower or greater than 25% and 45% of the SCR respectively. The MCR is also subject to an absolute minimum of €3.7 million.

The table below shows the key inputs to the MCR formula for the calculation of IPL's MCR as at 31 December 2019 and 2018.

IPL Minimum Capital Requirement, £m

	31 Dec. 2019	31 Dec. 2017
Technical Provisions (before TMTP)	8,143.9	8,684.1
Capital at Risk	39.5	254.7
SCR	48.9	187.1
MCR Floor (converted to £)	3.2	3.3
MCR	**22.0**	**61.0**

E.3

Duration-based equity risk sub-module in the SCR calculation
This does not apply to IPL, therefore the standard formula stress test has been used to assess the equity risk capital component of IPL's SCR.

E.4

Difference between the standard formula and any internal model used
IPL does not make use of an internal model or partial internal model for assessing its solvency capital requirements under Solvency II.

E.5

Non-compliance with the MCR and SCR
Since the implementation of Solvency II on 1 January 2016, IPL has complied with all capital requirements, including both the MCR and the SCR.

E.6

Any other information
IPL has maintained a sufficient level of Own Funds to remain above its target operating level of SCR coverage of 160% throughout the year.

IPL paid a dividend of £45m in June 2019 and £30m in March 2020. Capital requirements will continue to be monitored closely and inline with IPL's risk appetite.

Invesco Pensions Limited
S.02.01.01
Balance sheet

Assets		Solvency II value	Statutory accounts value
		C0010	C0020
Goodwill	R0010		0.0
Deferred acquisition costs	R0020		0.0
Intangible assets	R0030	0.0	0.0
Deferred tax assets	R0040	0.0	0.0
Pension benefit surplus	R0050	0.0	0.0
Property, plant & equipment held for own use	R0060	0.0	0.0
Investments (other than assets held for index-linked and unit-linked c	R0070	62,005,545.6	62,005,545.6
Property (other than for own use)	R0080	0.0	0.0
Holdings in related undertakings, including participations	R0090	0.0	0.0
Equities	R0100	0.0	0.0
Equities - listed	R0110	0.0	0.0
Equities - unlisted	R0120	0.0	0.0
Bonds	R0130	0.0	0.0
Government Bonds	R0140	0.0	0.0
Corporate Bonds	R0150	0.0	0.0
Structured notes	R0160	0.0	0.0
Collateralised securities	R0170	0.0	0.0
Collective Investments Undertakings	R0180	37,005,545.6	37,005,545.6
Derivatives	R0190	0.0	0.0
Deposits other than cash equivalents	R0200	25,000,000.0	25,000,000.0
Other investments	R0210	0.0	0.0
Assets held for index-linked and unit-linked contracts	R0220	8,183,431,855.9	8,183,431,855.9
Loans and mortgages	R0230	31,287,101.0	30,000,000.0
Loans on policies	R0240	0.0	0.0
Loans and mortgages to individuals	R0250	0.0	0.0
Other loans and mortgages	R0260	31,287,101.0	30,000,000.0
Reinsurance recoverables from:	R0270	216,331.6	216,331.6
Non-life and health similar to non-life	R0280	0.0	0.0
Non-life excluding health	R0290	0.0	0.0
Health similar to non-life	R0300	0.0	0.0
Life and health similar to life, excluding health and index-linked and	R0310	216,331.6	216,331.6
Health similar to life	R0320	0.0	0.0
Life excluding health and index-linked and unit-linked	R0330	216,331.6	216,331.6
Life index-linked and unit-linked	R0340	0.0	0.0
Deposits to cedants	R0350	0.0	0.0
Insurance and intermediaries receivables	R0360	0.0	0.0
Reinsurance receivables	R0370	0.0	0.0
Receivables (trade, not insurance)	R0380	385,202.6	385,202.6
Own shares (held directly)	R0390	0.0	0.0
Amounts due in respect of own fund items or initial fund called up bu	R0400	0.0	0.0
Cash and cash equivalents	R0410	4,612,148.7	4,612,148.7
Any other assets, not elsewhere shown	R0420	13,709,979.7	13,709,979.7
Total assets	R0500	8,295,648,165.1	8,294,361,064.1

Liabilities		Solvency II value	Statutory accounts value
		C0010	C0020
Technical provisions – non-life	R0510	0.0	0.0
Technical provisions – non-life (excluding health)	R0520	0.0	0.0
Technical provisions calculated as a whole	R0530	0.0	
Best Estimate	R0540	0.0	
Risk margin	R0550	0.0	
Technical provisions - health (similar to non-life)	R0560	0.0	0.0
Technical provisions calculated as a whole	R0570	0.0	
Best Estimate	R0580	0.0	
Risk margin	R0590	0.0	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	216,461.5	216,461.5
Technical provisions - health (similar to life)	R0610	0.0	0.0
Technical provisions calculated as a whole	R0620	0.0	
Best Estimate	R0630	0.0	
Risk margin	R0640	0.0	
Technical provisions – life (excluding health and index-linked and ur	R0650	216,461.5	216,461.5
Technical provisions calculated as a whole	R0660	216,461.5	
Best Estimate	R0670	0.0	
Risk margin	R0680	0.0	
Technical provisions – index-linked and unit-linked	R0690	8,154,521,429.0	
Technical provisions calculated as a whole	R0700	8,183,431,855.9	
Best Estimate	R0710	-60,632,589.6	
Risk margin	R0720	31,722,162.6	
Other technical provisions	R0730		0.0
Contingent liabilities	R0740	0.0	0.0
Provisions other than technical provisions	R0750	303,494.9	303,494.9
Pension benefit obligations	R0760	0.0	0.0
Deposits from reinsurers	R0770	0.0	0.0
Deferred tax liabilities	R0780	5,133,557.7	0.0
Derivatives	R0790	0.0	0.0
Debts owed to credit institutions	R0800	0.0	0.0
Financial liabilities other than debts owed to credit institutions	R0810	0.0	0.0
Insurance & intermediaries payables	R0820	0.0	0.0
Reinsurance payables	R0830	0.0	0.0
Payables (trade, not insurance)	R0840	0.0	0.0
Subordinated liabilities	R0850	0.0	0.0
Subordinated liabilities not in Basic Own Funds	R0860	0.0	0.0
Subordinated liabilities in Basic Own Funds	R0870	0.0	0.0
Any other liabilities, not elsewhere shown	R0880	19,040,023.4	19,040,023.4
Total liabilities	R0900	8,179,214,966.4	8,202,991,835.6
Excess of assets over liabilities	R1000	116,433,198.7	91,369,228.5

Invesco Pensions Limited
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	0.0	0.0	1,183,588,295.3	0.0	0.0	0.0	0.0	0.0	1,183,588,295.3
Reinsurers' share	R1420	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net	R1500	0.0	0.0	1,183,588,295.3	0.0	0.0	0.0	0.0	0.0	1,183,588,295.3
Premiums earned										
Gross	R1510	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reinsurers' share	R1520	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net	R1600	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims incurred										
Gross	R1610	0.0	0.0	2,418,197,276.0	0.0	0.0	0.0	0.0	0.0	2,418,197,276.0
Reinsurers' share	R1620	0.0	0.0	0.0	0.0	0.0	14,605.3	0.0	0.0	14,605.3
Net	R1700	0.0	0.0	2,418,197,276.0	0.0	0.0	-14,605.3	0.0	0.0	2,418,182,670.7
Changes in other technical provisions										
Gross	R1710	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reinsurers' share	R1720	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net	R1800	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Expenses incurred	R1900	0.0	0.0	42,358,834.0	0.0	0.0	0.0	0.0	0.0	42,358,834.0
Administrative expenses										
Gross	R1910	0.0	0.0	1,042,772.2	0.0	0.0	0.0	0.0	0.0	1,042,772.2
Reinsurers' share	R1920	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net	R2000	0.0	0.0	1,042,772.2	0.0	0.0	0.0	0.0	0.0	1,042,772.2
Investment management expenses										
Gross	R2010	0.0	0.0	38,238,926.3	0.0	0.0	0.0	0.0	0.0	38,238,926.3
Reinsurers' share	R2020	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net	R2100	0.0	0.0	38,238,926.3	0.0	0.0	0.0	0.0	0.0	38,238,926.3
Claims management expenses										
Gross	R2110	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reinsurers' share	R2120	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net	R2200	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition expenses										
Gross	R2210	0.0	0.0	675,742.0	0.0	0.0	0.0	0.0	0.0	675,742.0
Reinsurers' share	R2220	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net	R2300	0.0	0.0	675,742.0	0.0	0.0	0.0	0.0	0.0	675,742.0
Overhead expenses										
Gross	R2310	0.0	0.0	2,401,393.5	0.0	0.0	0.0	0.0	0.0	2,401,393.5
Reinsurers' share	R2320	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net	R2400	0.0	0.0	2,401,393.5	0.0	0.0	0.0	0.0	0.0	2,401,393.5
Other expenses	R2500									0.0
Total expenses	R2600									42,358,834.0
Total amount of surrenders	R2700	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Invesco Pensions Limited
S.12.01.01
Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**
Technical provisions calculated as a whole	**R0010**	0.0	8,183,431,855.9			216,461.5			0.0
Total recoverable from reinsurance/SPV after the adjustment for expected losses due to counterparty default	**R0020**	0.0	0.0	0.0	0.0	216,331.6	216,331.6	0.0	0.0
Technical provisions calculated as a sum of BE and RM									
Best Estimate									
Gross Best Estimate	**R0030**	0.0		0.0	-39,546,515.7		0.0	0.0	0.0
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	**R0040**	0.0		0.0	0.0		0.0	0.0	0.0
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	**R0050**	0.0		0.0	0.0		0.0	0.0	0.0
Recoverables from SPV before adjustment for expected losses	**R0060**	0.0		0.0	0.0		0.0	0.0	0.0
Recoverables from Finite Re before adjustment for expected losses	**R0070**	0.0		0.0	0.0		0.0	0.0	0.0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	0.0		0.0	0.0		0.0	0.0	0.0
Best estimate minus recoverables from reinsurance/SPV and Finite Re	**R0090**	0.0		0.0	-39,546,515.7		0.0	0.0	0.0
Risk Margin	**R0100**	0.0	31,722,162.6			0.0			0.0
Amount of the transitional on Technical Provisions									
Technical provisions calculated as a whole	**R0110**	0.0	0.0			0.0			0.0
Best Estimate	**R0120**	0.0		0.0	-21,086,073.9		0.0	0.0	0.0
Risk Margin	**R0130**	0.0	0.0			0.0			0.0
Technical provisions - total	**R0200**	0.0	8,154,521,429.0			216,461.5			0.0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0210**	0.0	8,154,521,429.0			129.9			0.0
Best Estimate of products with a surrender option	**R0220**	0.0	8,143,885,340.2			0.0			0.0
Gross BE for Cash flow									
Cash out-flows									
Future guaranteed and discretionary benefits	**R0230**		0.0			0.0			0.0
Future guaranteed benefits	**R0240**	0.0							
Future discretionary benefits	**R0250**	0.0							
Future expenses and other cash out-flows	**R0260**	0.0	296,504,019.6			0.0			0.0
Cash in-flows									
Future premiums	**R0270**	0.0	0.0			0.0			0.0
Other cash in-flows	**R0280**	0.0	336,223,700.0			0.0			0.0
Percentage of gross Best Estimate calculated using approximations	**R0290**	0.00%	0.00%			0.00%			0.00%
Surrender value	**R0300**	0.0	8,183,431,855.9			0.0			0.0
Best estimate subject to transitional of the interest	**R0310**	0.0	0.0			0.0			0.0
Technical provisions without transitional on interest rate	**R0320**	0.0	0.0			0.0			0.0
Best estimate subject to volatility adjustment	**R0330**	0.0	0.0			0.0			0.0
Technical provisions without volatility adjustment and without others transitional measures	**R0340**	0.0	0.0			0.0			0.0
Best estimate subject to matching adjustment	**R0350**	0.0	0.0			0.0			0.0
Technical provisions without matching adjustment and without all the others	**R0360**	0.0	0.0			0.0			0.0

Invesco Pensions Limited
S.12.01.01
Life and Health SLT Technical Provisions (continued)

		Accepted reinsurance						Health insurance (direct business)					
			Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance obligations	**Total (Life other than health insurance, incl. Unit-Linked)**		Contracts without options and guarantees	Contracts with options or guarantees	**Annuities stemming from non-life insurance contracts and relating to health insurance obligations**	**Health reinsurance (reinsurance accepted)**	**Total (Health similar to life insurance)**
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**	0.0	0.0	0.0	0.0	0.0	8,183,648,317.4	0.0			0.0	0.0	0.0
Total recoverable from reinsurance/SPV after the adjustment for expected losses due to counterparty default	**R0020**	0.0	0.0	0.0	0.0	0.0	216,331.6	0.0	0.0	0.0	0.0	0.0	0.0
Technical provisions calculated as a sum of BE and RM													
Best Estimate													
Gross Best Estimate	**R0030**	0.0	0.0	0.0	0.0	0.0	-39,546,515.7		0.0	0.0	0.0	0.0	0.0
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	**R0040**	0.0					0.0		0.0	0.0	0.0	0.0	0.0
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	**R0050**	0.0					0.0		0.0	0.0	0.0	0.0	0.0
Recoverables from SPV before adjustment for expected losses	**R0060**	0.0					0.0		0.0	0.0	0.0	0.0	0.0
Recoverables from Finite Re before adjustment for expected losses	**R0070**	0.0					0.0		0.0	0.0	0.0	0.0	0.0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0
Best estimate minus recoverables from reinsurance/SPV and Finite Re	**R0090**	0.0					-39,546,515.7		0.0	0.0	0.0	0.0	0.0
Risk Margin	**R0100**	0.0	0.0	0.0	0.0	0.0	31,722,162.6	0.0			0.0	0.0	0.0
Amount of the transitional on Technical Provisions													
Technical provisions calculated as a whole	**R0110**	0.0					0.0	0.0			0.0	0.0	0.0
Best Estimate	**R0120**	0.0					-21,086,073.9		0.0	0.0	0.0	0.0	0.0
Risk Margin	**R0130**	0.0					0.0	0.0			0.0	0.0	0.0
Technical provisions - total	**R0200**	0.0					8,154,737,890.4	0.0			0.0	0.0	0.0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0210**	0.0	0.0	0.0	0.0	0.0	8,154,521,558.8	0.0			0.0	0.0	0.0
Best Estimate of products with a surrender option	**R0220**	0.0					8,143,885,340.2	0.0			0.0		0.0
Gross BE for Cash flow													
Cash out-flows													
Future guaranteed and discretionary benefits	**R0230**						0.0	0.0			0.0	0.0	0.0
Future guaranteed benefits	**R0240**	0.0					0.0						
Future discretionary benefits	**R0250**	0.0					0.0						
Future expenses and other cash out-flows	**R0260**	0.0					296,504,019.6	0.0			0.0	0.0	0.0
Cash in-flows													
Future premiums	**R0270**	0.0					0.0	0.0			0.0	0.0	0.0
Other cash in-flows	**R0280**	0.0					336,223,700.0	0.0			0.0	0.0	0.0
Percentage of gross Best Estimate calculated using approximations	**R0290**	0.00%						0.00%			0.00%	0.00%	
Surrender value	**R0300**	0.0					8,183,431,855.9	0.0			0.0	0.0	0.0
Best estimate subject to transitional of the interest rate	**R0310**	0.0					0.0	0.0			0.0	0.0	0.0
Technical provisions without transitional on interest rate	**R0320**	0.0					0.0	0.0			0.0	0.0	0.0
Best estimate subject to volatility adjustment	**R0330**	0.0					0.0	0.0			0.0	0.0	0.0
Technical provisions without volatility adjustment and without others transitional measures	**R0340**	0.0					0.0	0.0			0.0	0.0	0.0
Best estimate subject to matching adjustment	**R0350**	0.0					0.0	0.0			0.0	0.0	0.0
Technical provisions without matching adjustment and without all the others	**R0360**	0.0					0.0	0.0			0.0	0.0	0.0

Invesco Pensions Limited
S.22.01.01
Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of th LTG measures and transitionals (Step-by-step approach)								
			Without transitional on technical provisions	Impact of transitional on technical provisions	Without transitional on interest rates	Impact of transitional on interest rates	Without volatility adjustement and without others transitional measures	Impact of volatility adjustment set to zero	Without matching adjustment and without all the others	Impact of matching adjustment set to zero	Impact of all LTG measures and transitionals
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions	R0010	8,154,737,890.4	8,175,823,964.3	21,086,073.9	8,175,823,964.3	0.0	8,175,823,964.3	0.0	8,175,823,964.3	0.0	21,086,073.9
Basic own funds	R0020	116,433,198.7	98,931,757.4	-17,501,441.4	98,931,757.4	0.0	98,931,757.4	0.0	98,931,757.4	0.0	-17,501,441.4
Excess of assets over liabilities	R0030	116,433,198.7	98,931,757.4	-17,501,441.4	98,931,757.4	0.0	98,931,757.4	0.0	98,931,757.4	0.0	-17,501,441.4
Restricted own funds due to ring-fencing and matching portfolio	R0040	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eligible own funds to meet SCR	R0050	116,433,198.7	98,931,757.4	-17,501,441.4	98,931,757.4	0.0	98,931,757.4	0.0	98,931,757.4	0.0	-17,501,441.4
Tier 1	R0060	116,433,198.7	98,931,757.4	-17,501,441.4	98,931,757.4	0.0	98,931,757.4	0.0	98,931,757.4	0.0	-17,501,441.4
Tier 2	R0070	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tier 3	R0080	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Solvency capital requirement	R0090	48,936,100.8	52,520,733.4	3,584,632.6	52,520,733.4	0.0	52,520,733.4	0.0	52,520,733.4	0.0	3,584,632.6
Eligible own funds to meet MCR	R0100	116,433,198.7	98,931,757.4	-17,501,441.4	98,931,757.4	0.0	98,931,757.4	0.0	98,931,757.4	0.0	-17,501,441.4
Minimum capital requirement	R0110	22,021,245.4	23,634,330.0	1,613,084.7	23,634,330.0	0.0	23,634,330.0	0.0	23,634,330.0	0.0	1,613,084.7

Invesco Pensions Limited
S.25.01.01
Solvency Capital Requirement - for undertakings on Standard Formula

Article 112	Z0010	2 - Regular reporting

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	14,663,316.9	14,663,316.9	0.0
Counterparty default risk	R0020	5,560,450.7	5,560,450.7	0.0
Life underwriting risk	R0030	35,365,112.7	35,365,112.7	0.0
Health underwriting risk	R0040	0.0	0.0	0.0
Non-life underwriting risk	R0050	0.0	0.0	0.0
Diversification	R0060	-12,057,306.6	-12,057,306.6	
Intangible asset risk	R0070	0.0	0.0	
Basic Solvency Capital Requirement	R0100	43,531,573.6	43,531,573.6	

Calculation of Solvency Capital Requirement		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	0.0
Operational risk	R0130	10,319,277.6
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	-4914750.51
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0.0
Solvency Capital Requirement excluding capital add-on	R0200	48,936,100.7
Capital add-on already set	R0210	0.0
Solvency capital requirement for undertakings under consolidated method	R0220	48,936,100.7
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0.0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0.0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0.0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0.0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0.0
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	4 - No adjustment
Net future discretionary benefits	R0460	0.0

		Yes/No
		C0109
Approach based on average tax rate	R0590	2 - No

		Before the shock	After the shock
		C0110	C0120
Deferred taxes asset	R0600	0.0	0.0
DTA carry forward	R0610	0.0	0.0
DTA due to deductible temporary differences	R0620	0.0	0.0
Deferred tax Liability	R0630	5,133,557.7	5,133,557.7

		LAC_DT
		C0130
LAC DT	R0640	-4,914,750.5
LAC DT justified by reversion of deferred tax liabilities	R0650	0.0
LAC DT justified by reference to probable future taxable economic profit	R0660	-4,914,750.5
LAC DT justified by carry back, current year	R0670	0.0
LAC DT justified by carry back, future years	R0680	0.0
Maximum LAC DT	R0690	-4,914,750.5

Invesco Pensions Limited
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	19,876,002.0	19,876,002.0		0.0	
Share premium account related to ordinary share capital	R0030	34,999,998.0	34,999,998.0		0.0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0.0	0.0		0.0	
Subordinated mutual member accounts	R0050	0.0		0.0	0.0	0.0
Surplus funds	R0070	0.0	0.0			
Preference shares	R0090	0.0		0.0	0.0	0.0
Share premium account related to preference shares	R0110	0.0		0.0	0.0	0.0
Reconciliation reserve	R0130	61,557,198.7	61,557,198.7			
Subordinated liabilities	R0140	0.0		0.0	0.0	0.0
An amount equal to the value of net deferred tax assets	R0160	0.0				0.0
Other items approved by supervisory authority as basic own funds not specified above	R0180	0.0	0.0	0.0	0.0	0.0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0.0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0.0	0.0	0.0	0.0	
Total basic own funds after deductions	R0290	116,433,198.7	116,433,198.7	0.0	0.0	0.0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0.0			0.0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0.0			0.0	
Unpaid and uncalled preference shares callable on demand	R0320	0.0			0.0	0.0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0.0			0.0	0.0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0.0			0.0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0.0			0.0	0.0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0.0			0.0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0.0			0.0	0.0
Other ancillary own funds	R0390	0.0			0.0	0.0

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	R0400	0.0			0.0	0.0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	116,433,198.7	116,433,198.7	0.0	0.0	0.0
Total available own funds to meet the MCR	R0510	116,433,198.7	116,433,198.7	0.0	0.0	
Total eligible own funds to meet the SCR	R0540	116,433,198.7	116,433,198.7	0.0	0.0	0.0
Total eligible own funds to meet the MCR	R0550	116,433,198.7	116,433,198.7	0.0	0.0	
SCR	R0580	48,936,100.7				
MCR	R0600	22,021,245.3				
Ratio of Eligible own funds to SCR	R0620	237.93%				
Ratio of Eligible own funds to MCR	R0640	528.73%				

		Total	
		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	116,433,198.7	
Own shares (held directly and indirectly)	R0710	0.0	
Foreseeable dividends, distributions and charges	R0720	0.0	
Other basic own fund items	R0730	54,876,000.0	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0.0	
Reconciliation reserve	R0760	61,557,198.7	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770	0.0	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	0.0	
Total Expected profits included in future premiums (EPIFP)	R0790	0.0	

Invesco Pensions Limited
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	0.0

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0.0	0.0
Income protection insurance and proportional reinsurance	R0030	0.0	0.0
Workers' compensation insurance and proportional reinsurance	R0040	0.0	0.0
Motor vehicle liability insurance and proportional reinsurance	R0050	0.0	0.0
Other motor insurance and proportional reinsurance	R0060	0.0	0.0
Marine, aviation and transport insurance and proportional reinsurance	R0070	0.0	0.0
Fire and other damage to property insurance and proportional reinsurar	R0080	0.0	0.0
General liability insurance and proportional reinsurance	R0090	0.0	0.0
Credit and suretyship insurance and proportional reinsurance	R0100	0.0	0.0
Legal expenses insurance and proportional reinsurance	R0110	0.0	0.0
Assistance and proportional reinsurance	R0120	0.0	0.0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0.0	0.0
Non-proportional health reinsurance	R0140	0.0	0.0
Non-proportional casualty reinsurance	R0150	0.0	0.0
Non-proportional marine, aviation and transport reinsurance	R0160	0.0	0.0
Non-proportional property reinsurance	R0170	0.0	0.0

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	57,034,882.7

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0.0	
Obligations with profit participation - future discretionary benefits	R0220	0.0	
Index-linked and unit-linked insurance obligations	R0230	8,143,885,340.3	
Other life (re)insurance and health (re)insurance obligations	R0240	129.9	
Total capital at risk for all life (re)insurance obligations	R0250		39,546,515.7

Overall MCR calculation

		C0070
Linear MCR	R0300	57,034,882.7
SCR	R0310	48,936,100.7
MCR cap	R0320	22,021,245.3
MCR floor	R0330	12,234,025.2
Combined MCR	R0340	22,021,245.3
Absolute floor of the MCR	R0350	3,186,921.0
		C0070
Minimum Capital Requirement	R0400	22,021,245.3