Invesco Perpetual

Invesco Perpetual Life Limited

Solvency and Financial Condition Report 2017

Contents

Executive Summary

- Invesco Perpetual Life Limited (IPLL) is a wholly-owned UK subsidiary of Invesco Ltd., an independent global investment management company listed on the New York Stock Exchange. IPLL's sole business activity is the provision of investment 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 has seen rapid growth in recent years due to the success of a new institutional product launched in 2014 which has attracted significant investment from a number of large occupational pension schemes into the Invesco Perpetual Global Targeted Returns (GTR) Pension Fund. This fund constituted approximately 86% of IPLL's assets under management at 31 December 2017. This new business has generated a material increase in IPLL's revenues and profits. Further details are provided in section 1.3 below.

- IPLL forms part of Invesco's EMEA Group, a larger business unit headed by Invesco UK Limited, IPLL's parent company. IPLL is governed by its own Board of Directors and committees established by the Board but substantially all its business and support activities (including control 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 provision of risk management systems and internal controls using a 'three lines of defence' model. Further details are provided in sections 2.3 and 2.4 below.

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

- As noted above, IPLL has a simple business model with just one business activity: the provision of investment products to UK 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. IPLL 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 3 below.

- The Board reviews the company's capital position on a regular basis and determines the appropriate capital to be maintained. The solvency capital ratio at 31 December 2017 was 124% (31 December 2016: 136%). Own funds increased from £185.9m in 2016 to £258.1m in 2017. The Solvency Capital Requirement (SCR) increased from £136.7m to £207.4m, this increase was driven by the growth of the business. In addition, the Minimum Capital Requirement (MCR) increased from £45.5m to £62.7m. Further details are provided in section 5 below.

- IPLL 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 111% (2016:115%). Further details are provided in section 4.2.13 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.

Graeme Proudfoot	Alan Trotter
Director	**Director**

26 April 2018

1.1 Business

IPLL operates a simple business strategy with, essentially, a single line of business. It provides unit-linked investment products to trustees of UK registered pension plans, including unit-linked reinsurance of the investment element of policies issued by third party life insurers wishing to offer Invesco Perpetual funds to their pension scheme clients. The majority of the company's business as at 31 December 2017 is from defined benefit schemes that have invested in the Invesco Perpetual Global Targeted Return Pension Fund (GTR Pension Fund).

Whilst IPLL's corporate history dates back to 1999, its scale and financial performance have grown very significantly in the last three years following the launch of the GTR Pension Fund in April 2014. 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 modest inflows and outflows; and
b) a younger book of business invested via the Institutional Trustee Investment Plan (TIP) established in 2014 and almost entirely into the GTR Pension Fund. This book of business has exhibited dramatic growth since its launch.

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. IPLL has no employees but operates within a group structure headed by its immediate parent, Invesco UK Limited ('IUK'). Most operational and control functions, including risk management, compliance and internal audit, are provided by other members of the IUK group, with fund administration, client administration and actuarial services provided by third parties.

IPLL 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.

IPLL's auditor is PricewaterhouseCoopers LLP, chartered accountants and statutory auditors, 7 More London Riverside, London SE1 2RT.

1.2 Investment performance

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

	Fund value at 31 Dec 2017 £m	Annualised Gross Returns (%) 1 Year	3 Year	5 year
Invesco Perpetual Global Targeted Return Pension Fund	7,910.3	2.12	2.97	-
Invesco Perpetual UK Equity Pension Fund	231.0	7.64	6.56	10.70
Invesco Perpetual Balanced Risk 8 Pension Fund	224.4	10.74	5.65	-
Invesco Managed Pension Fund	128.7	11.88	12.85	14.93
Invesco UK Equity Pension Fund	116.0	13.76	16.18	16.75

IPLL does not underwrite insurance risks.
IPLL undertakes no investment activity save in connection with its unit-linked investment products.

1.3 Financial performance

As noted above, IPLL's business has grown very quickly in recent years. 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).

At 31 December	2013	2014	2015	2016	2017
Assets under management (£M)	855.2	1,088.6	4,105.4	6,655.8	9,199.5
% change		27.3	277.1	62.1	38.2

As at 31 December 2017, the value of the GTR Pension Fund was £7,910 million, or 86% of IPLL's total. The new business written is profitable and highly cash generative.

Years to 31 December £'000	2013	2014	2015	2016	2017
Investment income	24,375	23,941	41,027	93,677	180,852
Net unrealised gains on investments	159,643	36,230	72,665	193,314	58,668
Other technical income	6,020	6,052	17,015	33,298	52,124
Total income	**190,038**	**66,223**	**130,707**	**320,289**	**291,644**
% change		-65.2%	97.4%	145.0%	-8.9%
Profit before tax	**2,439**	**2,257**	**7,137**	**15,560**	**26,780**
% change		-7.5%	216.2%	118.0%	72.1%

System of Governance

2.1 General information

2.1.1 Group structure

IPLL 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 2017 of US$ 937.6 billion (2016: US$812.9billion) and 7,030 (2016: 6,790) 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$14.9 billion at December 2017 (2016: US$12.3 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 investment 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 $238 billion across the region as at 31 December 2017 (2016: US $170.3 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 IPLL, which contract with clients for the provision of services.

2.1.2 IPLL Board

The IPLL 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 IPLL's business plans and financial forecasts for the financial year. At the same time, the governance framework described below helps to ensure that the IPLL 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 IPLL'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 IPLL Board is made up of four independent non-executive directors, one of whom acts as Chairman, and three executive directors. The table below shows the current Board members:

Current board members	
Rachel Court	Chairman and independent NED
Julian Bartlett	Independent NED
Charles Evers	Independent NED
Colin Fitzgerald	Director
Alan Frost	Chairman, Audit and Risk Committee and independent NED
Graeme Proudfoot	Chief Executive Officer
Alan Trotter	Chief Financial Officer

2.1.3 IPLL Audit and Risk Committee

IPLL 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.

2.1.4 IPLL Management Committee

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

2.2 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 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. Staff are also required to self-certify each year compliance with the group's Code of Conduct. Enhanced checks are carried out for staff performing controlled functions under PRA or FCA Rules, and these individuals are subject to formal re-checking every two years, along with those categorised as Material Risk Takers and those in scope of the relevant parts of the MiFID and fourth money laundering directive requirements).

These checks are supported by a program of regulatory and financial crime 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.

All staff are subject to an annual review of each individual's competence, knowledge, skills and performance. 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.

2.3 Risk management and internal controls

2.3.1 EMEA Group risk management framework

As a member of the Invesco EMEA Group, IPLL's risk management uses the framework established for the group as a whole.

The EMEA Group's risk strategy is focused on implementing an effective framework to manage risk which is based around the three lines of defence model described below, an effective model that fits with the nature and structure of the EMEA Group's activities. In parallel, the risk strategy seeks to achieve a positive, 'no surprises' risk culture throughout the organisation by promoting risk awareness and a 'no blame' culture that encourages staff to talk openly about risks and to raise questions or concerns with management or members of the Independent Risk Function (IRF), Compliance or Internal Audit teams.

At a high level the risk management framework is designed to operate as follows:
- The governing body sets and approves the relevant risk appetite;
- The individual business lines, functional areas and business committees formally identify, assess and manage all risks;
- The IRF oversees and assists the business units to report on risk themes and control exceptions to the relevant audit and risk committees.

The process enables the governing body and its committees to review and challenge adherence with risk appetite, where necessary direct action to reduce risks to within risk appetite or accept risks given current controls, and assess any consequent impact on capital adequacy and capital planning.

2.3.2 IPLL 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 IPLL Board of Directors has defined its primary objectives with respect to the management of the life 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.

2.3.3 IPLL risk appetite

IPLL'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.

IPLL's risk appetite has been set by the Board such that the Solvency II Capital Requirement ("SCR") coverage ratio is expected to exceed 115%. If the capital coverage drops, or is projected to drop, below this level management actions are required.

Increased monitoring and reporting will be required if the capital coverage drops below 120% of the SCR and if the coverage drops, or is projected to drop, below 115% 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 105%.

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

2.3.4 Own Risk and Solvency Assessment

The ORSA is the process, owned by the Board, by which IPLL 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 scheme and policy holders.

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 31 October 2016. The key finding of this and previous reports is that writing new business leads to a short-term strain on IPLL's capital resources and the solvency coverage ratio is initially reduced as new business is written. It should be noted that this is a result of the Solvency II rules and capital requirements and that the terms upon which the new business is written are profitable and to the long term benefit of the company.

During 2017 the Board decided to change the annual cycle of ORSA report preparation so that, beginning in 2018 and in each year thereafter, the report would be prepared in the third quarter of the year, based on the company's balance sheet and in-force business at 30 June. The Board discussed in the year a number of risk scenarios, which formed the basis of solvency projections which were reviewed by the Board and reflected in an interim ORSA report. The projections as at the end of 2017 indicated that the company was close to, or at, a point where the profits emerging from the in-force business were sufficient to recover, in a short period of time, the negative impact on solvency of writing all but very large and or very rapid fund inflows from new business.

2.4 Internal controls – three lines of defence model

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 business lines and functional areas carry out IPLL's business activities and this is where the majority of the risks arise and need to be addressed. As such the business lines and functional areas are said to 'own' their own risks and they represent the **first line of defence** against unwanted risks occurring.
- The IRF and Compliance provide support by providing independent oversight and challenge of the risk and control activities conducted by the business lines and functional areas. As such they represent a **second line of defence**.
- Thirdly, the Internal Audit function provides regular assessments of whether the risk and control environment is working as it should and identifies any weaknesses that need to be addressed and improvements that could be made. In this way it represents a **third line of defence** within the organisation.

Each of the functions making up the second and third lines of defence provides management information to the IPLL Audit and Risk Committee and, where appropriate, the IPLL Board to enable them to oversee and challenge whether IPLL's activities are being managed in accordance with the company's risk appetite and consider any potential impacts upon its capital adequacy.

2.4.1 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 IPLL'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 IPLL 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.

2.4.2 **The second line of defence – Independent risk function (IRF)**

The Independent Risk Function (IRF) is part of the second line of defence and comprises two teams, Operational Risk and Investment Risk and their respective activities and responsibilities are described below.

Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, or people and systems or from external events.

The Operational Risk team facilitates the business in the management of their operational risks and implementation of suitable controls at the individual business lines and functional areas through IUK's Operational Risk framework.

At a high level, core Operational Risk activities include,

- the facilitation of quarterly risk self-assessments to ensure that risks within each first-line business unit are adequately assessed and that controls are appropriate to manage the risks to levels within the Group's risk appetite;
- management of the incident reporting process including independently following up and ensuring effective mitigation of incidents and investigation of systemic issues; and
- the aggregation and reporting of Key Risk Indicators (KRIs) used by the business to monitor the EMEA group's performance in relation to its risk appetite.

In addition the Operational Risk team assists the business in the provision of information required for Capital Scenario assessments and the production of the ORSA.

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

Informed by the output of departmental risk self-assessments and by the incident management process, the Operational Risk team reports themes and trends quarterly to the IPLL Audit and Risk Committee. Information on other specific risk areas highlighted by the IRF is also addressed at quarterly meetings.

Investment Risk

The Investment Risk 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.

2.4.3 **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 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 IPLL Audit and Risk Committee providing information and analysis of monitoring activities and breaches, regulatory updates, and recommendations to improve compliance across the control environment.

2.4.4 **The third line of defence**

Internal Audit Department provides independent, objective and comprehensive audit services which are designed to add value 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 IPLL Audit and Risk Committee in order to provide assurance as to the integrity and effectiveness of the control environment. In particular, Internal Audit reports identify shortcomings and weaknesses and areas where action needs to be taken, ranking this by level of importance from minor to critical in order to focus management attention and resources where it is most needed.

2.5 Actuarial Function

IPLL'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 IPLL's business are not complex and IPLL 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 IPLL, 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.

2.6 Outsourcing

As noted in paragraph 2.1.1 and in common with other regulated companies in the Invesco EMEA Group, IPLL outsources substantially all its day-to-day operations, including its key functions, either to companies within the Invesco group or to external contractors. Service agreements are in place with each provider.

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

Day to day oversight of the external operational service providers – BNY Mellon and JLT – is itself a function outsourced to Invesco UK. Oversight by IPLL of the operational functions outsourced to Invesco UK is carried out through the IPLL Management Committee. Oversight of investment management is a central function carried out for the group as a whole with established teams and processes which report to the EMEA Executive Committee. Oversight of the provision of actuarial services by Milliman is carried out by the Board.

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 Pillar Solvency Capital Requirement. The percentages shown are of the total undiversified SCR:

Key Risks under Solvency II	31 December 2017 Capital Requirement %	31 December 2016 Capital Requirement %
Lapse risk	68%	67%
Market risk – Equity	23%	21%
Market risk – Credit Spreads	4%	4%
Expense risk	3%	6%
Operational Risk	2%	2%

3.1 Lapse Risk

Lapse risk refers to the risk that the value of the company's assets under management falls as a result of an increase in fund outflows due to transfers out and/or full scheme exits, 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.

IPLL 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. IPLL's operational performance may also affect lapse rates and this risk is dealt with in paragraph 3.3 below.

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

3.2 Market Risk

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

IPLL'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.

IPLL 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 IPLL to its parent company.

Certain of IPLL'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 IPLL is to reduce assets under management, and thereby income and future profits.

IPLL 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 IPLL'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 IPLL has no appetite for market risk in respect of its own funds which are invested, in sterling, in cash or liquid money market funds

3.3 Operational Risk

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

IPLL 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.

IPLL seeks to manage its exposure to operational risk and its consequences in a number of ways:
- Risk profiles are prepared and maintained for each business function identifying and assessing operational risks to which that function is exposed;
- Risks are rated for likelihood and impact and recorded on a risk matrix;
- KRIs are identified, monitored and reported to the Audit and Risk Committee;
- The top risks are notified to the Audit and Risk Committee for attention and consideration of mitigating actions, and then to the Board.

IPLL reviews stress test scenarios to assess the sensitivity to operational risk as part of its ORSA process.

3.4 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.

IPLL 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 are charged as a proportion of AMC and scheme administration costs are charged as a proportion of the value of assets under management.

IPLL 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.

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

IPLL reviews stress test scenarios to assess the sensitivity to expense risk as part of its ORSA process.

3.5 Other risks

IPLL has exposure to other risks including, but not limited to, credit risk, liquidity risk, counterparty risk and underwriting and reserving 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.

Valuation for Solvency Purposes

4.1 Assets

4.1.1 The total value of assets held by IPLL on a Solvency II and Financial Statement basis as at 31 December 2017 and 2016 were as follows:

IPLL Asset Holding, as at 31 December 2017 (£m)	Per Solvency II	Per Financial Statements	Difference
Assets held to match linked liabilities	9,199.5	9,199.5	–
Reinsurers' asset	0.2	0.2	–
Intra-group loan to parent	31.2	30.0	1.2
Investments (STIC)	61.4	61.4	–
Cash and cash equivalents	3.3	3.3	–
Trade receivables	0.9	0.9	–
Other	14.3	14.3	–
Total	**9,310.8**	**9,309.6**	**1.2**

IPLL Asset Holding, as at 31 December 2016 (£m)	Per Solvency II	Per Financial Statements	Difference
Assets held to match linked liabilities	6,655.8	6,655.8	–
Reinsurers' asset	0.3	0.3	–
Intra-group loan to parent	21.0	20.0	1.0
Investments (STIC)	52.1	52.1	–
Cash and cash equivalents	1.6	1.6	–
Trade receivables	0.7	0.7	–
Other	9.6	9.6	–
Total	**6,741.1**	**6,740.1**	**1.0**

Total assets on a solvency II basis increased by £2,569.7m over the beginning of the year. The increase is attributable to:
- The growth in assets under management increasing from £6.7bn to £9.2bn
- A new loan of £10m to the parent which commenced on 31st March 2017
- Investments (STIC) increase of £9.3m as a result of the investment of surplus cash
- Other assets increased by£4.7m primarily due to an increase in accrued income

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

4.1.2 **Unit-linked Assets**

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

IPLL unit fund values

Fund name	31 December 17 (£'000)	31 December 16 (£'000)
Invesco Perpetual Global Targeted Returns Pension Fund	7,910,346	5,707,843
Invesco Perpetual UK Equity Pension Fund	230,967	270,634
Invesco Perpetual Balanced Risk 8 Pension Fund	224,362	6,719
Invesco Managed Pension Fund	128,716	121,436
Invesco UK Equity Pension Fund	116,013	99,953
Invesco Perpetual Global Equity ex UK Pension Fund	96,594	96,510
Invesco Perpetual Balanced Risk 10 Pension Fund	86,634	–
Invesco Perpetual Global Equity Pension Fund	80,062	68,718
Invesco Perpetual Growth Managed Pension Fund	74,335	70,969
Invesco UK Smaller Companies Equity Pension Fund	69,619	51,030
Invesco Global Equity Pension Fund	54,573	50,970
Invesco European Equity Pension Fund	43,360	34,152
Invesco Perpetual Fixed Interest Pension Fund	40,644	40,615
Invesco International Equity Pension Fund	21,140	17,215
Invesco Perpetual Cash Pension Fund	8,803	6,674
Invesco Perpetual UK Corporate Bond Pension Fund	8,308	8,361
Invesco Long Gilt Pension Fund	5,033	3,973
Invesco Perpetual Global Targeted Income Pension Fund	8	–
Total	**9,199,517**	**6,655,772**

Total unit-linked assets increased from £6.7bn to £9.2bn primarily due to flows into the Global Targeted return fund. Two new funds were launched during the year, Balanced Risk 10 fund and the Global Targeted Income fund.

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 2017:
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

	31 December 17	31 December 16
Level 1	9,135,438	6,594,195
Level 2	45,648	42,555
Level 3	18,431	19,022
Total	**9,199,517**	**6,655,772**

During the year there were no transfers from level 1 and 2 to level 3.

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 fair value through profit and loss 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 we no significant changes to inputs or valuation methods during 2017.

4.1.3 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 (notional) present value of the payments expected to be received in respect of IPLL's in-payment annuities.
- Intragroup Loan – three £10 million loans from IPLL to Invesco UK.
- Cash and Short-Term Money Market Instruments - i.e. the cash deposits currently held with three banks, HSBC, RBS and Citibank 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 Citibank, 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 IPLL's in-payment annuities. Intragroup Loan – three £10 million loans from IPLL 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

4.1.4 **Non-linked assets: Reinsurance asset**

IPLL has a small block of wholly reinsured in-payment annuities. The policies are administered by the reinsurer and the reinsurance asset is purely notional in the sense that IPLL 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 be received on any reinsurance contracts are shown on the asset side of the balance sheet.

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.

4.1.5 **Non-linked assets: Intragroup loan – alternative valuation basis**

IPLL 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 risk free rate. 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.

4.1.6 **Non-linked assets: cash and cash equivalents**

IPLL holds a small proportion of its non-scheme related assets in three bank deposit accounts (i.e. HSBC, RBS and Citibank).

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.

4.1.7 **Non-linked assets – Investments (short term money market instruments)**

The majority of IPLL'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.

4.1.8 **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 IPLL's financial accounts. For year-end 2017, these amounted to £15.2m (2016: £10.3m).

4.1.9 **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 £1.2m. 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.

4.2 Technical Provisions

4.2.1 **Homogenous Risk Groups (HRG)**

The majority of IPLL'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.

IPLL 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 IPLL as a whole (i.e. <1% of total TPs). The risk margin for annuities is nil.

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

4.2.2 **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 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 2017 and 2016:

Solvency II Pillar 1 – TIP Scheme BEL Assumptions

Assumption	31 December 2017	31 December 2016
Economic		
Expense Inflation	3.50%	3.50%
Unit Growth Rate	EIOPA Yield Curve	EIOPA Yield Curve
Discount Rate	EIOPA Yield Curve	EIOPA Yield Curve
Lapse Rate		
TIP scheme lapse rate	10.00%	10.00%
Expenses		
Ongoing Overhead Expenses	£2,540k	£2,246k
Scheme Administration Fees	Tiered charge structure	Tiered charge structure
Fund Management Fees	40% of AMC	40% of AMC

Solvency II Pillar 1 – Annuitant Longevity Assumptions

Males	31 December 2017	31 December 2016
Base Mortality Table	PMA08	PCMA00
Proportion of Base Table	94.00%	75.00%
Improvement Model	CMI 2016	CMI 2011
Proportion of Improvement Table	100%	100%
Long Term Rate	1.50%	1.50%
Females	**31 December 2017**	**31 December 2016**
Base Mortality Table	PFA08	PCFA00
Proportion of Base Table	91.00%	75.00%
Improvement Model	CMI 2016	CMI 2011
Proportion of Improvement Table	100%	100%
Long Term Rate	1.00%	1.00%

The annuity basis has been updated has been updated for the 2017 year-end in-line with the latest industry experience. It has been set with reference to the CMI Working Paper 101 which was published during 2017 and shows industry annuitant experience relative to the published tables for the period of 2011 to 2014.

More information on the assumptions and level of uncertainty associated with them is given in Section 4.2.6.

4.2.3 **Risk Margin**

Actuarial judgement has been used in calculating the Risk Margin for IPLL. Article 58 of the Delegated Regulation permits use of simplified methods in calculation of the risk margin, provided that they are proportionate to the nature, scale and complexity of the risks involved.

In line with Article 58 (a), for the purposes of calculating the risk margin for the 2017 Solvency II balance sheet, IPLL 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
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 AUM

For IPLL, 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.

4.2.4 **Technical Provisions**

The following table shows the amount of technical provisions as at 31 December 2017:

IPLL Solvency II Balance Sheet, £m	31 December 17	31 December 16
Assets		
Market value of assets	9,310.8	6,741.1
Technical Provisions		
Unit-linked liability	9,199.5	6,655.8
Non-unit liability	-277.1	-180.1
Annuities	0.2	0.3
Risk margin	111.3	75.5
Subtotal	**9,033.9**	**6,551.5**
Excess Assets (before TMTP, Other liabilities and Deferred Tax)	**276.9**	**189.6**

Unit linked Liability has increased by £2.5bn, the current in-force portfolio of TIP schemes are divided as follows:

TIP Scheme by source (31 December 2017)	Unit-linked Reserve £m
Corporate (GTR)	7,910.3
Corporate (BR8/BR10)	311.0
Corporate (Other)	820.7
Retail	157.5
Total	**9,199.5**

TIP Scheme by source (31 December 2016)	Unit-linked Reserve £m
Corporate (GTR)	5,707.8
Corporate (BR8)	6.7
Corporate (Other)	764.2
Retail	177.1
Total	**6,655.8**

Non-unit liability (also referred to as PVFP) has increased by £97m to £277.1m as at the end of December 2017 largely due to the growth in AUM.

Risk margin has increased by £35.8m to £111.3m; this is primarily due to the impact of stresses on lapse risk as a result of higher AUM.

4.2.5 **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 IPLL 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 Q4A 827 on EIOPA's contract boundaries (13 September 2016)

4.2.6 **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.

4.2.7 **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.

The expense assumption regarding the administrative expenses has been updated for the 31 December 2017 valuation following contracted variations in agreed fees.

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

4.2.8 **Persistency**

Expert judgement and experience analysis has been used in setting the long term lapse assumption for the in-force TIP schemes. IPLL has experienced a large increase levels of AUM, the majority of which has been written into the GTR fund. This fund is relatively new, and has only been available for investment through the life company since April 2014, so there is a limited amount of data available with which to assess lapse experience. The expert judgement of the senior sales and marketing team has informed the assessment of a best estimate lapse rate for the business and this, together with the experience on the TIP business, is used to set the assumption.

There are a number of implicit assumptions that have been made when assessing the future levels of AUM. There is no allowance for switching between funds within the persistency assumption, each investment is assumed to remain static over the lifetime of each scheme.

There is also no allowance for either partial withdrawals or new contributions on existing schemes which are volatile and difficult to predict.

4.2.9 **Unit growth rate and discount rate**

IPLL's economic assumptions are set with reference to market variables which provide the most appropriate view of future experience. The assumption in respect of future unit growth is taken to be the same as that used for discounting future cash flows and is therefore the risk-free rate of return prescribed by EIOPA. There is no allowance for future variation or any volatility in the future economic assumptions as the cash flow projection is deterministic.

The impact of a change to the yield curve was considered as part of the ORSA. The cash flows are grown and discounted at the same rate, so any movement in the unit growth rate is accompanied by a corresponding change in the discount rate.

4.2.10 **Data**

The data used for the purposes of calculating the solvency position of the firm as at 31 December 2017 is complete and accurate and meets the requirements set out in IPLL's data policy.

4.2.11 **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 5.1.3.

4.2.12 **Matching adjustment, volatility adjustment and transitional risk-free interest rate term structure**

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

4.2.13 **Transitional Measure on Technical Provisions (unaudited) (TMTP)**

IPLL applied for permission to use the 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 2017 in line with the requirement to recalculate at least every 2 years, as set in the written notice received from the PRA on 28 December 2017. The Financial Resources Requirement does not bite.

The following table shows the effect on IPLL's balance sheet as at 31 December 2017 of applying the recalculated TMTP.

	Solvency II Pillar 1 Balance Sheet 31 December 2017 (£'000)		Impact of TMTP (£'000)
	without TMTP	with TMTP	Δ Solvency II
Unit-Linked Assets	9,199,517	9,199,517	–
Non-Linked Assets	111,343	111,343	–
Other Liabilities	-41,710	-46,396	-4,686
Total Assets	**9,269,150**	**9,264,464**	**-4,686**
Unit-Linked BEL	9,199,517	9,199,517	–
Non-Linked BEL	-277,187	-277,187	–
Annuities	243	243	–
Risk Margin	111,341	111,341	–
TMTP	–	-27,562	-27,562
Technical Provisions	**9,033,914**	**9,006,352**	**-27,562**
Own Funds	**235,236**	**258,112**	**22,877**
Capital Requirement	212,094	207,408	-4,686
Solvency Ratio	**111%**	**124%**	**14%**

The TMTP is calculated as the difference between the reserves / technical provisions under Solvency II and the Individual Capital Assessment (ICA). For the 2017 year end, this resulted in a TMTP of £27.6m (2016: £27.9m). Subject to the bi-annual recalculation, the TMTP will run-off linearly over 14 years.

4.2.14 **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 2017. The associated probability of default has therefore been set at 0.06% in line with the S&P 2016 Annual Global Corporate Default Study and Rating Transitions.

4.2.15 **Material changes between reporting periods**

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

4.3 Other Liabilities

The following table summarises IPLL's other liabilities as at 31 December 2017 and 2016.

IPLL Other Liabilities, as at 31 December 2017 (£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	3.7	3.7	–
Other	5.9	5.9	–
Deferred tax	33.1	–	33.1
Total Other Liabilities	**46.4**	**13.3**	**33.1**

IPLL Other Liabilities, as at 31 December 2016 (£m)

	Per Solvency II	Per Financial Statements	Difference
Amounts due to other group undertakings	1.6	1.6	–
Accruals and deferred income	0.2	0.2	–
Corporation tax	3.2	3.2	–
Other	3.9	3.9	–
Deferred tax	22.7	–	22.7
Total Other Liabilities	**31.6**	**8.9**	**22.7**

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 increased by £14.8m over the year due to:
- Amounts due to other group companies +£1.9m – higher fee share to due increased AUM
- Other +£2.0m relates to an increase in rebates payable due to increased AUM
- Deferred tax +£10.4m due to increase in Solvency II adjustments as explained below

4.3.1 **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.

4.4 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 IPLL's valuation in financial statements.

IPLL has not used any alternative valuation methods in accordance with Article 10(5) of the Delegated Regulation for valuation of its liabilities.

4.5 Any other Information

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

5.1 Own Funds

5.1.1 **Objectives, policies, process, time horizon used for business planning for IPLL's own fund.**

IPLL'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.

IPLL 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 IPLL to hold capital of approximately 120% of the SCR capital requirements under the Solvency II regime. 120% of the SCR is known as the "target operating level" of IPLL's SCR coverage.

Management actions will be taken when capital resources fall below 115% 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 105% 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 115% would be taken. These actions would include (but are not limited to) limiting new business levels and requesting a capital injection from Invesco UK. 105% is known as the "lower tolerance" of IPLL's SCR coverage in the context of the Board's risk appetite.

5.1.2 **Classification of Own Funds**

The source of the capital held within IPLL 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. IPLL does not have any ancillary own funds and all capital held within IPLL is therefore eligible to cover the Solvency Capital Requirement and the Minimum Capital Requirement.

The following table set out the total own funds:

IPLL Own Funds £'k	31 December 2017	31 December 2016
Share capital	19,876	19,876
Share premium	35,000	35,000
Reconciliation reserve	203,236	131,021
Total Own Funds	**258,112**	**185,897**

Total own funds increased by £72.2 from £185.9 to £258.1m over the year:
- There were no changes to share capital or share premium during the year.
- The reconciliation reserve comprises:
  - Retained profits of £41.7m (2016: £20.2m)
  - Solvency II adjustments of £161.5m (2016: £110.8m) as detailed in section 5.1.3 below.

The company does not recommend the payment of a dividend in the year.

5.1.3 **Eligible own funds to cover SCR and MCR**

The following tables sets out the Solvency II balance sheet as at 31 December 2017 and 2016, including the amount of eligible own funds to cover the SCR and MCR.

IPLL Balance Sheet 31 December 2017, £m	Per Solvency II	Per Financial Statements	Difference
Assets			
Market value of assets	9,310.8	9,309.6	1.2
Liabilities			
Unit-linked liability	9,199.5	9,199.5	-
Non-unit liability (PVFP)	- 277.1	-	-277.1
Annuities	0.2	0.2	-
BEL	**8,922.6**		
Risk margin	111.3	-	111.3
TMTP	- 27.6	-	- 27.6
Technical provisions	**9,006.3**	**9,199.7**	**-193.3**
Deferred tax	33.1	-	33.1
Other liabilities	13.3	13.3	-
Total Liabilities	**9,052.7**	**9,213.0**	**-160.3**
Own Funds	**258.1**	**96.6**	**161.5**
MCR	62.7		
SCR	207.4		
Surplus	**50.7**		
Own Funds / SCR ratio	**124%**		
Own Funds / MCR ratio	**412%**		

IPLL Balance Sheet 31 December 2016, £m	Per Solvency II	Per Financial Statements	Difference
Assets			
Market value of assets	6,741.1	6,740.1	1.0
Liabilities			
Unit-linked liability	6,655.8	6,655.8	-
Non-unit liability (PVFP)	-180.1	-	-180.1
Annuities	0.3	0.3	-
BEL	**6,476.0**		
Risk margin	75.5	-	75.5
TMTP	-27.9	-	-27.9
Technical provisions	**6,523.6**	**6,656.1**	**-132.5**
Deferred tax	22.7	-	22.7
Other liabilities	8.9	8.9	-
Total Liabilities	**6,555.2**	**6,665.0**	**- 109.8**
Own Funds	**185.9**	**75.1**	**110.8**
MCR	45.5		
SCR	136.7		
Surplus	**49.2**		
Own Funds / SCR ratio	**136%**		
Own Funds / MCR ratio	**409%**		

5.1.4 **Differences in valuation methodology**

The value of own funds on a Solvency II basis totals £258.1m (2016: £185.9m), is £161.5 (2016: £110.8m) greater than own funds per financial statements of £96.6m (2016: £75.1m)

The difference primarily relates to the following items that are not recognised under statutory accounting standards – the non-unit BEL/PVFP, risk margin and TMTP.

5.1.5 **Ancillary own funds, transitional arrangements and any other restrictions on own funds**

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

5.2 SCR and MCR

The table below shows IPLL's SCR and MCR as at 31 December 2017 and 2016.

IPLL Capital Requirements, £m

	31 December 2017	31 December 2016
MCR	62.7	45.5
SCR	207.4	136.7

5.2.1 **Calculation of the SCR**

The table below shows IPLL's SCR as at 31 December 2017 and 2016, split across each of the different risk modules.

IPLL – SCR
Capital Impact, £m

	31 December 2017	31 December 2016
SCR_{mkt}	73.9	46.8
$SCR_{default}$	3.9	2.7
SCR_{life}	203.4	136.0
SCR_{health}	–	–
$SCR_{non-life}$	–	–
BSCR	**234.3**	**155.3**
SCR_{op}	5.9	3.9
Adj	(32.9)	(22.5)
SCR	**207.4**	**136.7**
Diversification benefit	(46.9)	(30.1)

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 2017 is £33.1m. The deferred tax liability in respect of IPLL's PVFP is £32.9m 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.

5.2.2 **Change in the value of the SCR**

Given the nature of IPLL'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 IPLL are determined by considering their effect on IPLL's PVFP.

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

5.2.3 **Simplifications applied to standard formula capital calculations**

An approximate approach has been applied for the market risk stress tests in respect of IPLL's GTR Fund and the Balanced Risk Funds 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.

5.2.4 **Undertaking-specific parameters within the standard formula**

IPLL has not used any undertaking-specific parameters in its year-end 2017 solvency valuation.

5.2.5 **Capital add-ons**

There has been no capital add-on imposed on IPLL's SCR for the year-end 2017 solvency valuation.

5.2.6 **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 IPLL's MCR as at 31 December 2017 and 2016.

IPLL Minimum Capital Requirement, £m

	31 December 2017	31 December 2016
Technical Provisions (before TMTP)	8,922.3	6,475.7
Capital at Risk	277.2	180.1
SCR	207.4	136.7
MCR Floor (converted to £)	3.3	3.3
MCR	**62.7**	**45.5**

The increase in the MCR is driven by the significant increase in AUM across 2017.

5.3 Use of the duration-based equity risk sub-module in the calculation of the SCR

This does not apply to IPLL, therefore the standard formula stress test has been used to assess the equity risk capital component of IPLL's SCR.

5.4 Internal Model

IPLL does not make use of an internal model or partial internal model for assessing its solvency capital requirements under Solvency II.

5.5 Non-compliance with the MCR and SCR

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

5.6 Any other information

IPLL had another year of rapid growth of its funds under management whilst maintaining a sufficient level of Own Funds to remain above IPLL's target operating level of SCR coverage of 120%.

Structure of the solvency and financial condition report

The table below sets out the recommended structure of SFCR as set out in Annex 20 of the Solvency II Delegated Regulations. This document uses a slightly different structure, in particular in the Risk Profile section, and the table below indicates where each item is covered in this report.

A. Business and Performance	
A.1 Business	1.1
A.2 Underwriting Performance	n/a
A.3 Investment Performance	1.2
A.4 Performance of other activities	1.3
A.5 Any other information	n/a
B. System of Governance	
B.1 General information on the system of governance	2.1
B.2 Fit and proper requirements	2.2
B.3 Risk management system including the ORSA	2.3
B.4 Internal control system	2.4
B.5 Internal audit function	2.4.4
B.6 Actuarial function	2.5
B.7 Outsourcing	2.6
B.8 Any other information	n/a
C. Risk Profile	
C.1 Underwriting risk	n/a
C.2 Market risk	3.2
C.3 Credit risk	3.5
C.4 Liquidity risk	3.5
C.5 Operational risk	3.3
C.6 Other material risks	3.5
C.7 Any other information	3.1, 3.4
D. Valuation for Solvency Purposes	
D.1 Assets	4.1
D.2 Technical provisions	4.2
D.3 Other liabilities	4.3
D.4 Alternative methods for valuation	4.4
D.5 Any other information	4.5
E. Capital Management	
E.1 Own funds	5.1
E.2 Solvency Capital Requirement and Minimum Capital Requirement	5.2
E.3 Duration-based equity risk sub-module in the SCR calculation	5.3
E.4 Differences between the standard formula and any internal model used	5.4
E.5 Non-compliance with the MCR and SCR	5.5
E.6 Any other information	5.6

Auditors' Report and Opinion

Report of the external independent auditors to the Directors of Invesco Perpetual Life Limited ('the Company') pursuant to Rule 4.1 (2) of the External Audit Part of the PRA Rulebook applicable to Solvency II firms

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

Opinion
Except as stated below, we have audited the following documents prepared by the Company as at 31 December 2017:

- The 'Valuation for solvency purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report of the Company as at 31 December 2017, (**'the Narrative Disclosures subject to audit'**); and

- Company templates S.02.01.02, S.12.01.02, S.22.01.21, S.23.01.01, S.25.01.21 and S.28.01.01 (**'the Templates subject to audit'**).

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

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

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

- Company templates S.05.01.02 and S.05.02.01;

- Information calculated in accordance with the previous regime used in the calculation of the transitional measure on technical provisions, and as a consequence all information relating to the transitional measure on technical provisions as set out in the Appendix to this report; and

- The written acknowledgement by management of their responsibilities, including for the preparation of the Solvency and Financial Condition Report (**'the Responsibility Statement'**).

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

In our opinion, the information subject to audit in the relevant elements of the Solvency and Financial Condition Report of the Company as at 31 December 2017 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based as supplemented by supervisory approvals.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Solvency and Financial Condition Report in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the Solvency and Financial Condition Report is not appropriate; or

- the directors have not disclosed in the Solvency and Financial Condition Report any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Solvency and Financial Condition Report is authorised for issue.

Auditors' Report and Opinion

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

Other Information
The Directors are responsible for the Other Information.

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

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

Responsibilities of Directors for the Solvency and Financial Condition Report
The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA rules and Solvency II regulations which have been supplemented by the approval made by the PRA under section 138A of FSMA, the PRA Rules and Solvency II regulations on which they are based, as detailed at section 4.2.13 Transitional Measure on Technical Provisions of the Solvency and Financial Condition Report.

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

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

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgement of the users taken on the basis of the Solvency and Financial Condition Report.

A further description of our responsibilities for the audit is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

This report, including the opinion, has been prepared for the Directors of the Company to comply with their obligations under External Audit rule 2.1 of the Solvency II firms Sector of the PRA Rulebook and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose save where expressly agreed by our prior consent in writing.

Report on Other Legal and Regulatory Requirements
In accordance with Rule 4.1 (3) of the External Audit Part of the PRA Rulebook for Solvency II firms we are also required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of the Company's statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PricewaterhouseCoopers LLP
Chartered Accountants
7 More London Riverside
London
SE1 2RT

26 April 2018

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

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

- The following elements of template S.12.01.02
  - Rows R0110 to R0130 – Amount of transitional measure on technical provisions

- The following elements of template S.22.01.21
  - Column C0030 – Impact of transitional on technical provisions

Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

Invesco Perpetual Life Limited
Balance sheet
S.02.01.02

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 contracts)	R0070	61,371,228.3	61,371,228.3
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	61,371,228.3	61,371,228.3
Derivatives	R0190	0.0	0.0
Deposits other than cash equivalents	R0200	0.0	0.0
Other investments	R0210	0.0	0.0
Assets held for index-linked and unit-linked contracts	R0220	9,199,516,887.7	9,199,516,887.7
Loans and mortgages	R0230	31,240,849.8	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	31,240,849.8	30,000,000.0
Reinsurance recoverables from:	R0270	243,066.9	243,000.0
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 unit-linked	R0310	243,066.9	243,000.0
Health similar to life	R0320	0.0	0.0
Life excluding health and index-linked and unit-linked	R0330	243,066.9	243,000.0
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	930,955.9	930,955.9
Own shares (held directly)	R0390	0.0	0.0
Amounts due in respect of own fund items or initial fund called up but not yet paid	R0400	0.0	0.0
Cash and cash equivalents	R0410	3,303,151.2	3,303,151.2
Any other assets, not elsewhere shown	R0420	14,253,856.9	14,253,856.9
Total assets	R0500	9,310,859,996.7	9,309,619,080.0

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	243,212.8	243,000.0
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 unit-linked)	R0650	243,212.8	243,000.0
Technical provisions calculated as a whole	R0660	243,212.8	
Best Estimate	R0670	0.0	
Risk margin	R0680	0.0	
Technical provisions – index-linked and unit-linked	R0690	9,006,108,761.0	9,199,516,888.0
Technical provisions calculated as a whole	R0700	9,199,516,888.0	
Best Estimate	R0710	-304,749,006.0	
Risk margin	R0720	111,340,879.0	
Other technical provisions	R0730		0.0
Contingent liabilities	R0740	0.0	0.0
Provisions other than technical provisions	R0750	154,347.9	154,347.9
Pension benefit obligations	R0760	0.0	0.0
Deposits from reinsurers	R0770	0.0	0.0
Deferred tax liabilities	R0780	33,090,301.2	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	13,150,874.8	13,150,874.8
Total liabilities	R0900	9,052,747,497.7	9,213,065,110.6
Excess of assets over liabilities	R1000	258,112,499.0	96,553,969.4

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

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	0.0	0.0	3,257,506,970.0	0.0	0.0	0.0	0.0	0.0	3,257,506,970.0
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	3,257,506,970.0	0.0	0.0	0.0	0.0	0.0	3,257,506,970.0
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	953,115,493.0	0.0	0.0	0.0	0.0	0.0	953,115,493.0
Reinsurers' share	R1620	0.0	0.0	0.0	0.0	0.0	15,019.8	0.0	0.0	15,019.8
Net	R1700	0.0	0.0	953,115,493.0	0.0	0.0	-15,019.8	0.0	0.0	953,100,473.2
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	26,303,570.5	0.0	0.0	0.0	0.0	0.0	26,303,570.5
Administrative expenses										
Gross	R1910	0.0	0.0	1,643,503.1	0.0	0.0	0.0	0.0	0.0	1,643,503.1
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	1,643,503.1	0.0	0.0	0.0	0.0	0.0	1,643,503.1
Investment management expenses										
Gross	R2010	0.0	0.0	20,339,446.8	0.0	0.0	0.0	0.0	0.0	20,339,446.8
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	20,339,446.8	0.0	0.0	0.0	0.0	0.0	20,339,446.8
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	968,572.6	0.0	0.0	0.0	0.0	0.0	968,572.6
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	968,572.6	0.0	0.0	0.0	0.0	0.0	968,572.6
Overhead expenses										
Gross	R2310	0.0	0.0	3,352,047.9	0.0	0.0	0.0	0.0	0.0	3,352,047.9
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	3,352,047.9	0.0	0.0	0.0	0.0	0.0	3,352,047.9
Other expenses	R2500									0.0
Total expenses	R2600									26,303,570.5
Total amount of surrenders	R2700	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Invesco Perpetual Life Limited
Life and Health SLT Technical Provisions
S.12.01.02

		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	9,199,516,888.0			243,212.8			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	243,066.9	243,066.9	0.0	0.0
Technical provisions calculated as a sum of BE and RM									
Best Estimate									
Gross Best Estimate	**R0030**	0.0		0.0	-277,186,607.2		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	-277,186,607.2		0.0	0.0	0.0
Risk Margin	**R0100**	0.0	111,340,879.0			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
Best Estimate	**R0120**	0.0		0.0	-27,562,398.8		0.0	0.0	0.0
Risk Margin	**R0130**	0.0	0.0			0.0			0.0
Technical provisions - total	**R0200**	0.0	9,006,108,761.0			243,212.8			0.0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0210**	0.0	9,006,108,761.0			145.9			0.0
Best Estimate of products with a surrender option	**R0220**	0.0	8,922,330,280.8			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	267,635,537.1			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	546,707,894.2			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	9,199,516,888.0			0.0			0.0
Best estimate subject to transitional of the interest rate	**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 Perpetual Life Limited
Life and Health SLT Technical Provisions
S.12.01.02 (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	**R0210**	0.0	0.0	0.0	0.0	0.0	9,199,760,100.8	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	243,066.9	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	-277,186,607.2		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					-277,186,607.2		0.0	0.0	0.0	0.0	0.0
Risk Margin	**R0100**	0.0	0.0	0.0	0.0	0.0	111,340,879.0	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					-27,562,398.8		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					9,006,351,973.8	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	9,006,108,906.9	0.0			0.0	0.0	0.0
Best Estimate of products with a surrender option	**R0220**						8,922,330,280.8	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	
Future guaranteed benefits	**R0240**	0.0											
Future discretionary benefits	**R0250**	0.0											
Future expenses and other cash out-flows	**R0260**	0.0					267,635,537.1	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					546,707,894.2	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					9,199,516,888.0	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 Perpetual Life Limited
Impact of long term guarantees measures and transitionals
S.22.01.21

		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**	9,006,351,973.8	9,033,914,372.6	27,562,398.8	9,033,914,372.6	0.0	9,033,914,372.6	0.0	9,033,914,372.6	0.0	27,562,398.8
Basic own funds	**R0020**	258,112,499.0	235,235,707.9	-22,876,791.1	235,235,707.9	0.0	235,235,707.9	0.0	235,235,707.9	0.0	-22,876,791.1
Excess of assets over liabilities	**R0030**	258,112,499.0	235,235,707.9	-22,876,791.1	235,235,707.9	0.0	235,235,707.9	0.0	235,235,707.9	0.0	-22,876,791.1
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**	258,112,499.0	235,235,707.9	-22,876,791.1	235,235,707.9	0.0	235,235,707.9	0.0	235,235,707.9	0.0	-22,876,791.1
Tier 1	**R0060**	258,112,499.0	235,235,707.9	-22,876,791.1	235,235,707.9	0.0	235,235,707.9	0.0	235,235,707.9	0.0	-22,876,791.1
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**	207,409,346.6	212,093,861.0	4,684,514.3	212,093,861.0	0.0	212,093,861.0	0.0	212,093,861.0	0.0	4,684,514.3
Eligible own funds to meet MCR	**R0100**	258,112,499.0	235,235,707.9	-22,876,791.1	235,235,707.9	0.0	235,235,707.9	0.0	235,235,707.9	0.0	-22,876,791.1
Minimum capital requirement	**R0110**	62,650,342.6	62,650,342.6	0.0	62,650,342.6	0.0	62,650,342.6	0.0	62,650,342.6	0.0	0.0

Invesco Perpetual Life Limited
Own funds
S.23.01.01

		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	203,236,499.0	203,236,499.0			
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	258,112,499.0	258,112,499.0	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	258,112,499.0	258,112,499.0	0.0	0.0	0.0
Total available own funds to meet the MCR	R0510	258,112,499.0	258,112,499.0	0.0	0.0	
Total eligible own funds to meet the SCR	R0540	258,112,499.0	258,112,499.0	0.0	0.0	0.0
Total eligible own funds to meet the MCR	R0550	258,112,499.0	258,112,499.0	0.0	0.0	
SCR	R0580	207,409,346.6				
MCR	R0600	62,650,342.6				
Ratio of Eligible own funds to SCR	R0620	124.45%				
Ratio of Eligible own funds to MCR	R0640	411.99%				

		Total	
		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	258,112,499.0	
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	203,236,499.0	
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 Perpetual Life Limited
Solvency Capital Requirement - for undertakings on Standard Formula
S.25.01.21

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**	73,905,413.2	73,905,413.5	0.0
Counterparty default risk	**R0020**	3,885,879.1	3,885,879.1	0.0
Life underwriting risk	**R0030**	203,431,497.7	203,431,497.7	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**	-46,877,579.4	-46,877,579.5	
Intangible asset risk	**R0070**	0.0	0.0	
Basic Solvency Capital Requirement	**R0100**	234,345,210.6	234,345,210.7	

Calculation of Solvency Capital Requirement		**C0100**
Adjustment due to RFF/MAP nSCR aggregation	**R0120**	0.0
Operational risk	**R0130**	5,943,492.7
Loss-absorbing capacity of technical provisions	**R0140**	0.0
Loss-absorbing capacity of deferred taxes	**R0150**	-32,879,356.8
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**	207,409,346.6
Capital add-on already set	**R0210**	0.0
Solvency capital requirement for undertakings under consolidated method	**R0220**	207,409,346.6
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

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

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 reinsurance	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	62,650,342.6

		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	8,922,330,281.0	
Other life (re)insurance and health (re)insurance obligations	R0240	0.0	
Total capital at risk for all life (re)insurance obligations	R0250		277,186,607.2

Overall MCR calculation

		C0070
Linear MCR	R0300	62,650,342.6
SCR	R0310	207,409,346.6
MCR cap	R0320	93,334,206.0
MCR floor	R0330	51,852,336.7
Combined MCR	R0340	62,650,342.6
Absolute floor of the MCR	R0350	3,250,561.0
		C0070
Minimum Capital Requirement	R0400	62,650,342.6