Scottish Widows Administration Services Limited
2024 Year-End
MIFIDPRU Disclosures
31 December 2024

Lloyds Banking Group plc

Scottish Widows Administration Services Limited
25 Gresham Street
London
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Introduction

This document sets out the public disclosures required under the Investment Firm Prudential Regime (IFPR) for Scottish Widows Administration Services Limited (the 'Company') as of 31st December 2024 and as defined under the Financial Conduct Authority's (FCA) prudential handbook, Markets in financial instruments directive prudential rulebook (MIFIDPRU). The Company forms part of Scottish Widows Group Limited (SWG), a wholly owned subsidiary of Lloyds Banking Group plc (the 'Group'). The Company contributes to the results of the Insurance, Pensions and Investments (IP&I) division of the Group. Under Chapter 2 of MIFIDPRU, the Company is not part of an IFPR consolidation group. The Company is supervised by the FCA on a solo entity basis and consolidation is triggered under UK Capital Requirements Regulation (CRR).

Basis of Disclosure

The Company undertakes activities within the scope of the UK Markets in Financial Instruments Directive (MiFID) and is therefore subject to the prudential requirements of the IFPR contained in the FCA's MIFIDPRU Handbook. The Company is required to publish disclosures in accordance with the provisions outlined in the FCA's MIFIDPRU Handbook in Chapter 8.

Frequency of Disclosure

The Company makes available its disclosures on an annual basis and a standalone copy of these disclosures is located on the Group's website: Financial downloads - Lloyds Banking Group plc. All calculations are determined in line with the Company's financial year end reference date 31st December 2024.

Verification of disclosure

The disclosures required under Chapter 8 of the MIFIDPRU handbook are not required to be subjected to an external audit. The disclosures are only subject to external verification to the extent that they are taken from the audited annual financial statements.

Risk management objectives and policies

The Company follows the Group's risk management framework, which includes an ongoing cycle of activities designed to ensure effective end–to-end risk management. Further details on the Group's approach to risk management can be found at https://www.lloydsbankinggroup.com/who-we-are/group-overview/risk-management.html

Summary of Capital Risk Appetite and Capital Buffers

The Capital and Liquidity Management Framework (CLMF) requires that non-insurance entities hold an internal capital buffer such that regulatory capital requirements can be covered after a 1-in-10-year all-risk stress event. This involves applying 1-in-10 capital stresses (consistent with the calibration of the SII Internal Model), calculating the reduction in excess capital over the regulatory capital requirement in respect of each stress (including the fluctuation in own funds and the capital requirement) and then diversifying the losses by multiplying them by the relevant SII Internal Model correlations.

The approach to buffer calibrations for non-Insurance entities are expected to be reviewed prior to the next Internal Capital Adequacy and Risk Assessment (ICARA) report and will be reflected in an update to the CLMF.

The internal capital buffer also includes an allowance to cover one-year's prospective losses.

Risk Appetite

Where own funds of the Company cover the regulatory capital requirement and the internal capital buffer (i.e. 40% of the capital requirement plus one year's expected losses), the capital position is assigned a 'green' rating. In this case, excess capital is positive.

The capital position is rated 'amber' where own funds are below this level, but above the 'red-amber threshold' as defined below.

The red-amber threshold is the regulatory capital requirement, plus a 20% capital buffer, plus the best estimate operating losses over the next six months. Below this level, risk appetite would be 'red'.

Reporting of the Company's capital position is presented to internal committees as follows:

a) Monthly to IP&I Risk Committee (IP&IRC);
b) Quarterly to the Insurance Board (through the Insurance Risk Oversight Committee (ROC));
c) Sometimes to the IP&I Asset and Liability Committee (IP&IALCO) by exception.

Risk Appetite (continued)

The ‘amber’ threshold determines the point at which action should be considered, for example a capital injection with the level of injection dependant on the circumstances of the breach.

For a list of recovery actions please refer to Appendix 1 in this document. The ICARA is based on the 2023-year end and was published in quarter 3 of 2024.

In accordance with the Group’s policy, the Company maintains its risk profile on the Group's One Risk & Control Self-Assessment (RCSA) system which documents the key financial and non-financial risks to the business, and which is regularly reviewed at several junctures within the current governance landscape.

The business risk profile is subject to review of inherent and residual risk assessments, control effectiveness assessment and risk acceptance on a continuous basis and reported monthly via risk committees, including details of potential financial exposure and capital and liquidity allocation for each one of our top risks arising from the latest ICARA.

Own funds requirements

A MIFIDPRU investment firm must at all times maintain funds that are at least equal to its own fund’s requirement being the highest of:

- its permanent minimum capital requirement (PMR), which for the Company is £150,000; or
- its fixed overheads requirement (FOR), which amounts to 25% of its most recently audited annual expenditure less permittable deductions; or
- its K-factor requirement (KFR).

The FOR requirement drove the Company’s own funds requirement as of 31st December 2024.

Concentration risk

The Company has determined that as at 31st December 2024 it did not have any concentrated exposures to any client or group of connected clients or any concentration of business for revenue on a particular product, in a particular market, or a geographic location exposes an organisation to loss due to any adverse changes. The Company's concentration risk is considered accordingly as part of the continuous management of its capital and liquidity.
The Company also identified that it did not have any concentrated exposures to any client or group of connected clients as of 31st December 2024. The Company monitors and controls its concentration risk using sound administrative and accounting procedures and robust internal control mechanisms. This is not limited to monitoring trading book exposures but also includes any concentration in assets not recorded in a trading book (for example, trade debts) or any off-balance sheet items. It also includes any concentration risk that may arise from:

- the location of client money;
- the location of client securities;
- a firm's own cash deposits;
- earnings.

Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its commitments as they fall due or can only secure them at excessive cost. The Company is exposed to liquidity risk from payments to policyholders and non-policyholder related activity, such as investment purchases and the payment of shareholder expenses. Liquidity risk is mitigated by applying the liquidity risk policy, which includes controls to maintain liquidity at necessary levels.

Liquidity risk Appetite

SWG manages its liquidity risk by monitoring individual entity liquidity positions against risk appetite statements. Two Tier 2 Risk Appetite Statements apply to the Company, relating to total and primary liquidity requirements. These are owned by IPIALCO and refreshed annually.

For all SWG entities, including the Company, the liquidity position is consistent with risk appetite 'green' if the entity covers more than 100% of its stressed liquidity requirements. The liquidity position is 'amber' if the coverage is between 90% and 100%. It is 'red' if the coverage is less than 90%.

MIFIDPRU 7.5.5. requires that the ICARA process specifies a buffer that indicates a 'credible risk' that the firm will breach its liquidity requirements. In our view, there is no credible risk of breaching the liquidity requirements due to the availability of the Group's liquidity facility. SWG currently has in place a £750m

Liquidity risk Appetite (continued)

liquidity facility with the Group, which can be drawn upon for general purposes by ten SWG entities, including the Company.

Governance arrangements

The Company is required to meet the high standards of corporate governance set out in the Corporate Governance Framework in place for SWG and its subsidiaries. The Company's governance structure also complies with the requirement in the FCA's Senior Management Arrangements and Controls rulebook (SYSC) to ensure the management body defines, oversees and is accountable for the implementation of governance arrangements that ensure effective and prudent management of the firm, including the segregation of duties in the organisation and the prevention of conflicts of interest, and in a manner that promotes the integrity of the market and the interests of clients under SYSC4.3A.6R(1).

Company Background

The Company is a wholly owned subsidiary of Scottish Widows Limited (SWL) benefiting from a formal capital support arrangement from SWL.

The Company acts as platform operator and as a manager for Individual Savings Accounts (ISAs), Investment Accounts (IAs) and Self-Invested Personal Pensions (SIPPs) in the United Kingdom. The Company also acts as a service provider to SWL in respect of workplace pensions business migrated onto the Corporate Savings Platform and has a contractual basis for charging these services.

The Company is authorised and regulated by the FCA and has obtained the necessary regulatory permissions to undertake its activities.

Directors

Executive Directors	Non-Executive Directors
C Barua S T Nyahasha	J S Wheway W L D Chalmers M H Cuhls J K Harris C J G Moulder K A Cooper P G McNamara G E Schumacher

UK Directorships held by members of the management body

Name	Position within the Company	Number of Directorships outside the Company*
C Barua	**Executive Director**	**0**
S T Nyahasha	**Executive Director**	**0**
W L D Chalmers	**Non-Executive Director**	**0**
J S Wheway	**Independent Non-Executive Director**	**0**
M H Cuhls	**Independent Non-Executive Director**	**3**
J K Harris	**Independent Non-Executive Director**	**0**
C J G Moulder	**Independent Non-Executive Director**	**3**
K A Cooper	**Independent Non-Executive Director**	**3**
P G McNamara	**Independent Non-Executive Director**	**3**

* Excluding those within Lloyds Banking Group plc or in organisations not pursuing commercial objectives

Appointment and Induction of Directors

The Company is governed by its Board of Directors (the 'Board'). Directors are appointed by the Board, in accordance with the Group's internal governance processes applicable to subsidiary companies, and subject to required regulatory notifications or approvals.

All new Directors (both Executive and Non-Executive) are provided with a tailored induction programme which includes a session on their duties and responsibilities. Directors are required to complete relevant annual mandatory training and will participate in further information/development sessions on specific topics of interest/ relevance as appropriate either individually or collectively, delivered by both internal Group personnel and external third parties.

Board Committees

The Insurance Board is the Insurance Group's ultimate authorisation body for matters which concern the operation of the Group's IP&I business. The Company's Board shares common membership and meets concurrently with the boards of other individual subsidiaries which constitute the Insurance Board, recognising however that individual subsidiary boards are authorisation bodies in respect of their subsidiary's business.

The Board's responsibilities include carrying out an assessment of emerging and principal risks that the Company faces. Principal risks include those that might threaten the Company's business model, future performance, solvency or liquidity, and reputation, taking account of the potential impact and probability of the events, circumstances, and timescales over which they may occur. The Board's responsibilities also include ensuring active engagement with, understanding the views of, and seeking participation from key stakeholders, and promoting and monitoring of the wider Insurance Group's corporate culture and values.

The Company forms part of the IP&I division of the Group, which manages its consolidated capital position as an integrated business. For the Insurance Group as a whole, the Board has defined a framework and system for the management and reporting of risk and approved a set of risk appetite statements which cover financial risks (earnings, capital, insurance, credit, market and liquidity), climate risks, data risks operational risks, people risks, conduct risks, regulatory and legal risks, and financial reporting and governance risks.

Although the Company is not required to have a Risk Committee under MIFIDPRU rule 7.3.1R, the Company has elected to appoint a Risk Committee. The Insurance Board is supported by its ROC and Insurance Audit Committee (IAC), which makes recommendations to the Insurance Board on matters delegated to them, in relation to internal control, risk, financial reporting, governance, legal and tax.

Board Committees (continued)

This enables the Insurance Board to spend a greater proportion of its time on strategic, forward looking agenda items. The ROC and IAC are both chaired by experienced independent chairs who each provide a report to the Insurance Board on key matters discussed at their meetings.

Insurance Board Diversity

The Board Diversity Policy (the "Policy") sets out the Board of Scottish Widows Group's (the "Board") approach to diversity and provides a high-level indication of the Board's approach to diversity and inclusion in senior management roles which is governed in greater detail through the Group's policies.

The Board places great emphasis on ensuring that its membership reflects diversity in its broadest sense. Consideration is given to the combination of diversity demographics, skills, experience, educational and professional background, and other relevant personal attributes on the Board to provide the range of perspectives, insights and challenge needed to support good decision making.

New appointments and succession plans are made on merit, taking account of the specific skills and experience, independence and knowledge needed to ensure a rounded Board and the diverse benefits each candidate can bring to the overall Board composition. They should promote diversity, inclusion and equal opportunity.

Objectives for achieving Board diversity are reviewed on a regular basis. On gender balance, the Board aspires to maintain 45-55% female representation on the Board, higher than the FTSE Women Leaders recommendation of 40%, while recognising the limited numbers involved. On ethnicity, the Board is committed to meeting the Parker Review recommendation of having at least one Black, Asian or Minority Ethnic Board member, which the Board currently exceed. Currently, the Policy is not applied to the Board committees individually, although the diversity in the Board is expected to be reflected across the committees.

The Board places high emphasis on not only its own diversity composition but also on overseeing alignment with Lloyds Banking Group's Diversity, Equity and Inclusion approach and ambitions, and expects to be kept updated on progress. Any material changes to the Group's Diversity, Equity and Inclusion approach are approved by the Group Executive Committee, noted by the Group Responsible Business Committee and approved at the Board level. This includes material changes in our DE&I ambitions and supporting plans.

The Group's policies are subject to local laws and regulations, and aspirations identified above reflect targets set out in the UK Listing Rules LR6.6.6(9). For further information on the current approach to the Group's Diversity, Equity and Inclusion ambitions, read the Lloyds Banking Group 2024 Sustainability Report

Own Funds

The Company's own funds comprise exclusively of Common Equity Tier 1 (CET 1) capital, which is the most robust category of financial resources. It is comprised of fully issued ordinary shares and retained income / accumulated Loss.

Composition of regulatory own funds			
	Item	**Amount (GBP thousands)**	**Source based on reference numbers/letters of the balance sheet in the audited financial statements**
1	**OWN FUNDS**	**93,213**	
2	**TIER 1 CAPITAL**	**93,213**	
3	**COMMON EQUITY TIER 1 CAPITAL**	**93,213**	
4	Fully paid-up capital instruments	268,500	Share Capital, note 13 of statutory accounts
5	Share premium		
6	Retained earnings	(170,500)	Retained Earnings
7	Accumulated other comprehensive income		
8	Other reserves	44,000	Other Reserves, note 14
9	Adjustments to CET1 due to prudential filters	49,689	Intangible Assets, note 8
10	Other funds		
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
19	CET1: Other capital elements, deductions and adjustments	933	Tax assets & liabilities, note 15
20	**ADDITIONAL TIER 1 CAPITAL**		
21	Fully paid up, directly issued capital instruments		
22	Share premium		
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	**TIER 2 CAPITAL**		
26	Fully paid up, directly issued capital instruments		
27	Share premium		
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions and adjustments		

Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements				
		a	b	c
		Balance sheet as in published/audited financial statements	**Under regulatory scope of consolidation**	**Cross-reference to template OF1**
		As at period end	**As at period end**	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements				
1	Intangible assets	49,736		Item 9
2	Trades & other receivables	16,268		
3	Accrued income & prepayments	341		
4	Current tax recoverable	12,352		
5	Cash and cash equivalents	85,985		
	Total assets	**164,682**		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements				
1	Deferred tax liabilities	933		Item 19
2	Trade and other payables	21,749		
3	Accruals and deferred income	0		
	Total liabilities	**22,682**		
Equity				
1	Share Capital	268,500		Item 4
2	Accumulated losses	(170,500)		Item 6
3	Other reserves	44,000		Item 8
	Total equity	**142,000**		**Item 1**
Own funds: main features of own instruments issued by the firm				
The Company’s own funds are made up of Common Equity Tier 1, CET1, capital comprising of fully paid-up Share Capital and Retained Earnings/ Accumulated losses.				

Own Funds Requirements

The Company is required to disclose the KFR and the FOR amounts in relation to compliance with the own funds requirements as set out in MIFIDPRU4.3 as at 31st December 2024.

Item		Total amount in GBP (thousands)
KFR	K-CMH (Client Money Handled) and K-ASA (assets safeguarded)	409
	K-DTF (Discount Trading Flow) and K-COH (Client Orders Handled)	0
	Total KFR	**409**
FOR		**23,168**

Approach to assessing the adequacy of its own funds in accordance with the overall financial adequacy rule

The purpose of the Company's ICARA is to ensure that the Company has appropriate systems and controls in place to identify, monitor and reduce all potential material harms arising from its ongoing operations or wind down; and holds financial resources that are adequate for the business it undertakes.

The FCA determines whether a firm holds adequate financial resources using the Overall Financial Adequacy Rule (OFAR). This states that a firm must hold own funds and liquid assets which are adequate in amount and quality (MIFIDPRU 7.4.7) to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and, ensure that the firm's business can be wound down in an orderly manner, minimising harm to consumers or other market participants.

The Company prepares an ICARA document annually, supported by attestations throughout the year to reflect changes in the business or its wider operating environment. If a material change to the Company's strategy or risk profile is identified through the attestation process, then the document would be fully refreshed mid-cycle and presented to the Board for approval. This is in line with the FCA's expectations under MIFIDPRU7.8.2 (R) where a *firm* must review the adequacy of its *ICARA process* and ensure that this is documented.

This risk capital held is assessed by considering the impact of adverse events that could arise from the material harms that may arise from the Company's ongoing activities. Scenario testing is also performed, and capital plans put in place to respond to possible future events. The Company is required to hold sufficient capital resources to meet the overall assessment of risk capital on this basis.

Own Funds Requirements (continued)

Within the ICARA, the capital assessment process is complemented by:

• Identification of material harms for the Company;

• Selection of risk scenarios for modelling, based on those material harms; and

• Agreement of stress test components and assumptions used in scenarios to enable financial modelling.

This process is undertaken annually and is challenged by both ROC and the Insurance Board.

Remuneration policy and practices

Remuneration

The Company is a FCA solo regulated entity firm that is subject to the MIFIDPRU Remuneration Code. However, as a non-SNI MIFIDPRU investment firm not meeting the conditions in SYSC 19G.1.1R(2) the Company is not subject to the regulatory provisions relating to shares, instruments and alternative arrangements, retention policy, shares and discretionary pension benefits.

The Company is part of the wider the Lloyds Banking Group (the 'Group').

As a Capital Requirements Directive (CRD) firm, the Group is required to adopt and apply a remuneration policy that is firm-wide, which includes the Company. Consequently, the remuneration policy complies with CRD requirements as well as all other regulations that are applicable to its regulated subsidiaries, including the MIFIDPRU Remuneration Code (SYSC 19.G of the FCA Handbook).

The Group's Remuneration Policy is set by the Group Remuneration Committee comprising of solely independent directors (and is adopted Group-wide through the legal entity committees).

The Company's Chief Executive Officer is accountable for establishing, implementing and maintaining remuneration policies, procedures and practices which adhere to the Group's Remuneration Policy, and are consistent with and promote principles of effective risk management. Support is provided by the Insurance People Committee which is responsible for ensuring that remuneration related activity is effectively monitored.

Remuneration (continued)

The Group operates a separate identification process for the identification of its CRD Material Risk Takers (MRTs) and its MIFIDPRU Identified Staff.

The Identification of MIFIDPRU Identified Staff is undertaken on a solo basis for each legal entity e.g. the Company.

The MIFIDPRU Identified Staff methodology is based on 11 criteria, which satisfy the requirements in SYSC 19.G.5.3 - 5.5 of the FCA Handbook.

The roles identified include senior management, business and function leaders, regulated roles, control functions and other roles considered to be materially risk-taking.

Principles of the remuneration policy

The Remuneration Policy is based on four core reward principles that are designed to specifically promote certain desired behaviours and outcomes, which are supported by the structure of the remuneration package offered to colleagues:

Performance Driven – Reward should recognise collective success in delivering our purpose and strategy (aligned with the Group's risk appetite and conduct expectations) and individual contribution to that success.

Talent Focused – Reward should attract and retain skilled colleagues of the highest calibre across the organisation, delivering the workforce of the future.

Values Based – Reward should be designed so that it is fair and embodies our values: People first, Inclusive, Trusted, Sustainable and Bold.

Clear and Understood – Reward should be explained clearly and understood by colleagues, enabling increased personalisation and choice.

These principles are reflected in detailed reward policies and procedures which govern specific areas of reward and support the practical operation of the Remuneration Policy.

These policies and procedures reinforce the alignment between business strategy, risk profile and remuneration and provide a framework for understanding and implementing the Group's remuneration structure.

Principles of the remuneration policy (continued)

To support remuneration decision-making, an effective performance management framework is operated. Business performance is assessed across the Group using a balanced scorecard approach comprising of financial and non-financial metrics.

A strong risk governance model is in place which manages against the Group's appetite for risk. The risk types considered are set out in the Risk Management Framework and include for example, conduct risk, operational risk and regulatory and legal risk.

Fixed vs variable reward elements

Remuneration is delivered via a combination of fixed and variable remuneration. Fixed remuneration reflects the role, responsibility and experience of a colleague. In addition to receiving a salary, benefits are available to UK based colleagues including, pensions, private medical insurance, life insurance and other benefits that may be selected through the Group's flexible benefits plan.

There are a small number of senior employees who are also in receipt of a role-based allowance. Role based allowances are delivered monthly in cash. The purpose of the role-based allowance is to ensure that total fixed remuneration is commensurate with the role, responsibilities and experience of the individual; provides a competitive reward package; and is appropriately balanced with variable remuneration, in line with regulatory requirements.

Variable remuneration is based on an assessment of individual, business area and Group performance. The mix of variable and fixed remuneration is driven by seniority and role.

The performance-related elements of pay make up a significant proportion of the total remuneration package for MRTs, whilst maintaining an appropriate balance between the fixed and variable elements.

Following the removal of the mandated regulatory fixed to variable cap, the Group received overwhelming approval from its shareholders to allow the Group Remuneration Committee to set an appropriate variable to fixed pay ratio for its MRTs; it has subsequently approved a maximum ratio of 8:1 for 2024 and later years across the Group.

The Group Remuneration Committee considers that this will provide it with sufficient flexibility in terms of variable reward design without creating an incentive for excessive risk taking.

Variable Reward plans

Group Performance Share Plan

The GPS plan is an annual discretionary bonus plan. The plan is designed to reflect specific goals linked to the performance of the Group.

Individual GPS awards are based upon individual, financial and non-financial performance, including risk management performance, as well as the Group's overall results. Most colleagues and all Material Risk Takers (MRTs) participate in the GPS plan.

Individual GPS awards are based upon overall Group financial results and an assessment of the individual's contribution, performance, behaviours and development over the past calendar year.

The Group's total risk-adjusted GPS outcome is determined by the Remuneration Committee annually, having considered a range of factors including:

- Group's underlying financial performance,
- Performance for our customers and communities
- Variable reward market positioning
- Collective and discretionary adjustments to reflect risk matters and/or other factors.

Remuneration under the GPS plan is a mixture of cash and shares. The Group applies deferral arrangements to GPS and variable pay awards made to colleagues. GPS awards for MRTs are subject to deferral and a holding period in line with regulatory requirements and market practice.

MRTs, identified staff and all other Executives are subject to a combined single risk and performance assessment with input from Group Risk, where appropriate, to ensure there is a clear alignment between award outcomes and individual contribution, performance, behaviours and growth. The overall performance outcome is reflected in an individual variable reward.

Awards may be subject to malus and clawback for a period of up to seven years after the date of award which may be extended to 10 years where there is an ongoing internal or regulatory investigation.

Further details can be found in the Directors' remuneration section of the 2024 LBG plc Annual Report using the link below:

Annual Report 2024 - Lloyds Banking Group plc

All employee share plans

There are two "all employee" share plans available for investment by all employees, namely Sharematch and Sharesave.

Sharesave is a savings account and a combined share option plan that's offered from time to time. Sharematch gives employees the opportunity to invest in Lloyds Banking Group shares (called Partnership Shares). There is no fixed invitation period for Sharematch - employees can join at any time either online or by phone.

Pension and supplementary schemes

Executive Members of the Insurance Board, its Executive Committees and other key function holders, are eligible for membership of the Group's employee pension schemes on the same terms as other colleagues.

The Group does not operate an early retirement scheme.

Quantitative disclosures

A non-SNI MIFIDPRU investment firm must disclose the total number of MRT identified by the firm under SYSC 19G.5. For the year ending 31st December 2024 the total number of MRT for the Company, including senior management, was 33.

A non-SNI MIFIDPRU investment firm must disclose the following information, split into categories for senior management, other MRT and other staff:

(a) the total amount of remuneration awarded;
(b) the fixed remuneration awarded; and
(c) the variable remuneration awarded.

Quantitative Tables

	Senior Management	Other Material Risk Takers	Other Staff
Fixed remuneration awarded	£7,749,809	£3,589,827	£0
Variable remuneration awarded	£6,660,630	£5,649,688	£0
Total amount of remuneration awarded	£14,080,439	£9,239,515	£0

Note: The definition of Senior management is aligned to the regulatory definition contained in Article 2 (9) of DIRECTIVE 2013/36/EU which means those natural persons who exercise executive functions within an institution and who are responsible, and accountable to the management body, for the day-to-day management of the institution. This excludes non-executive directors in their supervisory capacity.

Investment Policy

The Company satisfies the conditions in Chapter 7 of the MIFIDPRU rule 7.1.4R and is therefore not categorised as a larger non-SNI firm. As a result of this, the Company is not required to provide a disclosure on its investment policy.

Appendix 1 - List of Recovery Actions

A list of recovery actions for each SWG entity is provided in the Insurance Recovery Plan (RECP). This was last approved by Insurance Board in September 2023. The table below provides the recovery actions for the Company. Details have been updated to reflect the latest position, where relevant. As the focus of the RECP is on capital adequacy, it does not include the option to access the liquidity facility, which has been added here for completeness.

The information in the table is intended to address the guidance stated in MIFIDPRU 7.5.6 on relevant considerations for recovery actions.

Action	Aim	Do-ability	Timeline (months)	Governance Route	Indicative Solvency Ratio Impact	Indicative Liquidity Ratio Impact	Readiness	Circumstances Impacting Effectiveness
Call on capital support from SWL	Remediation	Relative ease given operational capability and existing capital support arrangement. The Company received a capital injection from SWL of £40m in December 2024.	0-3	IPIALCO: Endorsement Insurance Board: Approval	Full capital requirements could be restored	Liquidity risk appetite could be restored	Green	Conditional on SWL having sufficient capital to provide support.
Retention of capital generated	Remediation	In line with capital policy, so straightforward to implement.	0-12	IPIALCO: Endorsement Insurance Board: Approval	Full capital requirements could be restored	Liquidity risk appetite could be restored	Green	This action could only be implemented if The Company was forecasted to make dividend payments over the course of the 4YOP. This is not currently the case.

Action	Aim	Do-ability	Timeline (months)	Governance Route	Indicative Solvency Ratio Impact	Indicative Liquidity Ratio Impact	Readiness	Circumstances Impacting Effectiveness
Share issuance to internal entity	Remediation	Relatively straightforward to implement but would depend on another internal entity's ability to purchase shares. Unlikely to be implemented whilst solvency ratio remains above the 'Red' risk appetite threshold.	0-3	IPIALCO: Endorsement Insurance Board: Approval	Full capital requirements could be restored	Liquidity risk appetite could be restored	Green	Dependent on the availability of financing from other entities within the Group.
Draw on the Group liquidity facility	Remediation	Straightforward. Requires the submission of a utilisation request to the Group.	5 days	No formal governance required. Request would be prepared by Insurance Finance, with support from Insurance senior management.	None, as drawn funds would need to be repaid.	Liquidity risk appetite could be restored.	Green	Dependent on the facility not being exhausted by other Group entities prior to the Company drawdown.