St James's Place

SFCR

St. James's Place Group
Solvency and Financial Condition Report 2024

24

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Introduction

This Solvency and Financial Condition Report (SFCR) has been prepared in line with the requirements of the relevant Solvency II (SII) regime, to assist clients of the St. James's Place Group (the Group) and other stakeholders in understanding the nature of our business, how it is managed, and its solvency position.

This is a single SFCR that incorporates consolidated information at the level of the Group, and solo information for the subsidiary insurance undertakings located within the UK and Republic of Ireland: St. James's Place UK plc (SJPUK) and St. James's Place International plc (SJPI). This report is prepared in compliance with rule modification A00008932 granted by the PRA with effect from 1 January 2025.

Following the UK's exit from the European Union (EU) and the end of the Transitional Period, the PRA has subsequently adopted the SII requirements with only limited changes, other than to the calculation of the risk margin and the reporting template disclosures. Throughout this document, any references to the SII legislation should be interpreted as referring to:

- the UK enactment of the legislation (unless otherwise indicated) for the Group and for SJPUK, as set out in the PRA handbook and associated policy and supervisory statements
- the EU enactment of the legislation for SJPI, as set out in Directive and associated Delegated Regulation.

Relevant information about the business of our Group is provided in the Group's Annual Report and Accounts for the year ended 31 December 2024 (the Group Report & Accounts), a copy of which can be found at **sjp.co.uk/shareholders/results-reports-presentations/reports-presentations-webcasts**. Where appropriate we will refer readers to that document.

There are, however, certain specific SFCR requirements which are not already reported publicly elsewhere, and those are included in this report. In particular, this report includes full reporting of the SII valuation undertaken at 31 December 2024, and the associated capital position for our Group. Those results are also presented in quantitative reporting templates (QRTs), and the Group's and its solo insurance undertakings' submissions can be found in the Appendix to this report.

Summary

St. James's Place plc is the largest advice-led wealth management business in the UK. We provide holistic financial planning and wealth management services, working in partnership to plan, grow and protect clients' financial futures. Our services are delivered exclusively by a team of 4,920 highly-skilled advisers within the St. James's Place Partnership. We want our clients to feel confident about their finances, so we provide a broad range of products and services to meet their needs, both for today and for the future. To complement the provision of sound, long-term financial advice, we have a distinctive investment management approach, where we design and build our own range of investment funds and portfolios, but contract some of the world's best external managers to manage them.

The Group provides insurance-based investment bond and pension products, mainly to UK clients, through two key subsidiary companies – St. James's Place UK plc (SJPUK) which is based in the UK, and St. James's Place International plc (SJPI) which is based in the Republic of Ireland. The Group also provides insurance-based products to a small but growing number of clients, mainly expatriates, in Asia and the Middle East, through SJPI, a branch of SJPI based in Singapore and a subsidiary of SJPUK based in Hong Kong. The Group also provides ISAs, unit trusts and discretionary fund management.

Our business

We have a straightforward financial business model, attracting and then retaining funds under management on which we will receive an annual management fee. We use this income to meet our overheads and to invest for the future.

2024 presented a mixed environment for UK consumers. Positively, we saw headline inflation falling and Bank of England base rate cuts, increasing the capacity for long-term investment for some individuals. However this has been tempered by uncertainty in the UK, particularly in advance of the Autumn Budget. There was also uncertainty in the US in the run up to their elections, and subsequently in anticipation of the Trump administration. In addition, pressures on disposable income persist, with mortgage costs rising for many households. Overall, this means that consumer confidence has remained fragile.

Against this backdrop, we are very pleased with our business and financial performance. Gross inflows for the year were £18.4 billion, up 20% on 2023, with momentum building during the year. Retention of client funds under management remained strong at 94.5%, resulting in net inflows of £4.3 billion, representing 2.6% of opening funds under management (FUM).

Our investment management approach (IMA) continued to perform well for clients, with our portfolios delivering strong returns that compare favourably against peer groups, supporting great outcomes for our clients. Our net investment return for 2024 represented over 10% of opening FUM, and it's important to remember that this is after all charges including advice.

These strong investment returns, combined with sustained net inflows, drove our FUM to a record £190.2 billion at the end of the year, up 13% on 2023.

In July 2024 we set out the results of our comprehensive business review. This resulted in a redefined purpose – to empower clients with invaluable advice to realise bolder ambitions – and a refreshed strategy. In the near-term this sees us focus on strengthening our core by safely delivering our key programmes of work: implementing our simple, comparable charging structure, completing our historic ongoing service evidence review, and executing our cost and efficiency programme. Alongside these programmes we are working to simplify and standardise our operations, leverage data to drive better decision making, and raise awareness of financial advice by leading the conversation in our industry. Further information on each of these topics can be found in the Annual Report & Accounts 2024.

Our unit-linked business model means that the financial positions of SJPUK and SJPI have remained resilient throughout the year.

Insurance FUM in the Group and individual entities grew over the year as follows:

	SJP Group		SJPUK[1]		SJPI	
£'Billion	**2024**	2023	**2024**	2023	**2024**	2023
Opening Insurance FUM	123.31	107.16	112.00	97.08	11.31	10.08
Gross inflows	14.48	11.86	13.42	10.97	1.06	0.89
Outflows	(10.03)	(6.82)	(9.21)	(6.18)	(0.82)	(0.64)
Investment return	13.40	11.11	12.11	10.13	1.29	0.98
Closing Insurance FUM	**141.16**	123.31	**128.32**	112.00	**12.84**	11.31

1 Figures for SJPUK include closing funds under management of £0.32 billion (2023: £0.28 billion) in a subsidiary life insurance company based in Hong Kong.

Most of the Group's insurance business is investment-related. However, both SJPUK and SJPI have small legacy books of protection business.

The Group has an additional £49.05 billion (2023: £44.89 billion) of funds under management within its unit trust and discretionary fund management companies.

More information about our business can be found in Section A of this report.

Summary continued

Risk management

The Group Board and the Boards of the insurance entities have responsibility for assessing the main risks affecting the business, and these are monitored on a regular basis.

Inflation has reduced in 2024 from the high levels seen in recent years, although following the Autumn Budget it is expected to remain above the UK Government's target of 2% over the next few years, which could further impact on the cost of living and put pressure on expenses. The Autumn Budget made a variety of changes to taxation, and the impact of the tax changes on clients could result in reduced capacity or desire to save into certain products. SJP's advisers, through ongoing financial advice and a broad product/investment range, can support clients in managing their financial affairs; help manage the effects of inflation on the standard of living they are aiming for in retirement; and to remain tax-efficient in their savings as the tax landscape changes.

We are also mindful of the potential for global geopolitical tensions to escalate, which could have relevance to the Group through the impacts on financial markets and through heightened cyber risk.

Although new challenges have been introduced, the key risks remain the same and are managed in line with our risk framework, with the Group's business model demonstrating resilience to macroeconomic factors through 2024. The key risks that could impact on the profitability of the Group's insurance businesses are:

- **Market risk:** A reduction in funds under management owing to market shocks, poor market performance or currency and exchange rate movements would reduce future annual management charges, and hence future profits.
- **Lapse risk:** Similarly, a reduction in funds under management owing to higher withdrawal rates would reduce future annual management charges. This may arise from factors such as changes in the economic climate, poor investment performance, competitor activity, or reputational damage to the Group.
- **Expense risk:** Higher expenses would reduce future profits.
- **Operational risk:** Operational risk events, such as a product failure, failure of a third-party administrator or a significant cyber-attack could result in one-off losses as well as wider reputational damage which could impact on client retention.

Although these risks may impact on the future profitability of the Group, they do not have a significant impact on our ability to meet contractual payments to clients. Our investment business is managed on a 'unit-linked' basis, where we hold assets which match our liabilities to clients, ensuring that we are always able to meet clients' withdrawal requests in line with their products' terms and conditions.

The low-risk nature of our business also means that our solvency ratio remains resilient to changes in our business and external markets.

More information about the risks that the business faces, and how we manage them, can be found in Section C of this report.

Our solvency position and capital management

We continue to manage our balance sheet prudently to ensure the Group's solvency, and that of its subsidiary entities, is maintained safely through the business cycle. We hold assets which match our liabilities to clients, and the remaining assets in the insurance companies are invested in high quality, liquid assets – typically AAA rated money market funds.

Each subsidiary company holds capital which is sufficient to cover any regulatory requirements, together with an additional margin which can absorb adverse future changes.

The Group's solvency position assessed on the UK and EU Solvency II regulatory basis is shown in the following table:

	SJP Group		SJPUK		SJPI	
Solvency (£'Million)	**2024**	2023	**2024**	2023	**2024**	2023
Solvency II Own Funds (A)[1]	4,060.0	3,299.7	3,077.9	2,596.0	361.5	277.8
Solvency Capital Requirement (B)	2,104.1	1,727.7	1,782.8	1,450.2	194.3	162.2
Solvency II Free Assets (A–B)	1,955.9	1,572.0	1,295.1	1,145.8	167.2	115.6
Solvency ratio (A/B)	**193%**	191%	**173%**	179%	**186%**	171%
Foreseeable dividend (C)	65.3	43.9	350.0	260.0	50.0	–
Post-dividend solvency ratio (A-C)/B	**190%**	188%	**153%**	161%	**160%**	171%

1 Before payment of final dividends, as presented in the Group Report & Accounts.

The Group provides returns to shareholders through both dividends and a share buyback programme. In addition, the Group has committed to repay all of a £250 million bridging loan in February 2025.

The Group and its insurance subsidiaries remain resilient and have maintained Solvency II Own Funds in excess of their Solvency II Capital Requirement throughout the year.

The Group's business model is focused on advice-led wealth management, and the overwhelming majority of its insurance business is unit-linked investment bond and pensions business. However, both SJPUK and SJPI have small legacy books of protection business.

In 2021 SJPUK entered into a reinsurance arrangement with Munich Re which is designed to manage its exposure to moderate to severe mass lapse events. As a consequence, the capital required to support lapse risks reduced as a proportion of the FUM. This arrangement has continued in 2024.

More information about our approach to the solvency valuation and capital management can be found in Sections D and E of this report.

Summary continued

Our systems of governance

The Group Board is collectively responsible for the long-term success of our business, and a number of key governance, strategy, planning and risk management processes operate at a Group level. However, key matters must also be considered directly by the relevant Entity Board.

The UK-regulated entities within the Group (including SJPUK) are subject to the Senior Managers & Certification Regime (SM&CR). SJPI is subject to the Individual Accountability Framework (IAF) and the Senior Executive Accountability Regime (SEAR).

During the year, there have been significant changes to the Group Board, with Dominic Burke stepping down from the Board and his role as Senior Independent Director in January 2024, Simon Fraser was appointed as a Non-executive Director and Senior Independent Director in April 2024 and Craig Gentle resigned from his role as Chief Financial Officer (CFO) in October 2024. He was succeeded on the Board and as CFO by Caroline Waddington. It was also announced that Rooney Anand will join the Board in January 2025.

More information about our system of governance and changes to the regulated subsidiary entity boards can be found in Section B of this report.

Statement of Directors' responsibilities

The Directors are responsible for preparing the SFCR in accordance with the Prudential Regulatory Authority (PRA) rules and the relevant SII regime.

The PRA Rulebook for SII firms in Rule 6.1(2) and Rule 6.2(1) of the Reporting Part requires that the Group must have in place a written policy ensuring the ongoing appropriateness of any information disclosed and that the Group must ensure that its SFCR is subject to approval by the Directors.

Each of the Directors, whose names and functions are listed in the Board of Directors section of the Report & Accounts, are satisfied that:

a) throughout the financial year in question, the Group and its solo insurance undertakings have complied in all material respects with the requirements of the PRA rules and the relevant SII regime as applicable; and

b) it is reasonable to believe that, at the date of the publication of the SFCR, the Group and its solo insurance undertakings continue to comply and will continue to comply in future.

By order of the Board

Caroline Waddington
Chief Financial Officer

26 February 2025

Auditors' Report and Opinion

Report of the external independent auditors to the Directors of St. James's Place plc ('the Company') pursuant to Rule 4.1 (2) of the External Audit Part of the PRA Rulebook applicable to Solvency II firms

Report on the Audit of the relevant elements of the Single Group-wide Solvency and Financial Condition Report

Opinion

Except as stated below, we have audited the following documents prepared by the Company as at 31 December 2024:

- the 'Valuation for solvency purposes' and 'Capital management' sections of the Single Group-wide Solvency and Financial Condition Report of the Company as at 31 December 2024, ('**the Narrative Disclosures subject to audit**')
- Group templates IR.02.01.02, IR.23.01.04, IR.25.04.22 and IR.32.01.22 ('**the Group Templates subject to audit**')
- Company templates IR.02.01.02, IR.12.01.02, IR.23.01.01, IR.25.01.21 and IR.28.01.01 in respect of St. James's Place UK plc ('**the Company 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 Single Group-wide Solvency and Financial Condition Report**'.

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

- **Other Information** which comprises:
- The 'Summary', 'Business and performance', 'System of governance' and 'Risk profile' elements of the Single Group-wide Solvency and Financial Condition Report;
- Group templates IR.05.02.01, IR.05.03.02, and IR.05.04.02;
- The written acknowledgement by management of their responsibilities, including for the preparation of the Single Group-wide Solvency and Financial Condition Report ('**the Responsibility Statement**'); and
- Information which pertains to an undertaking that is not a UK Solvency II firm and has been prepared in accordance with PRA Rules other than the Reporting Part of the PRA Rulebook or UK law other than law deriving from FSMA that applies to UK Solvency II firms ('**the sectoral information**') as identified in the Appendix to this report.

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

In our opinion, the information subject to audit in the relevant elements of the Single Group-wide Solvency and Financial Condition Report of the Company as at 31 December 2024 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules on which they are based, as modified by relevant supervisory modifications.

Basis for opinion

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

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the Directors' going concern assessment for the Group and Company and gaining an understanding of the Directors' going concern assessment process, including the preparation of the budget.
- Obtaining the budget covering the period of the going concern assessment and evaluating the forecasting method adopted by the Directors in assessing going concern.
- Testing the mathematical accuracy of the model and evaluating the key assumptions using our understanding of the Group and external evidence where appropriate. We also performed a comparison of the 2024 budget and the actual results to assess the historical accuracy of the budgeting process.
- Evaluating the results of management's analysis of the relevant solvency requirements and liquidity position of the Group, including forward looking plausible downside scenarios within the Group's Own Risk and Solvency Assessment.
- Evaluating the reasonableness of management's downside assumptions using our understanding of the Group and the external environment. We evaluated management's assumptions by performing independent stress testing to determine whether a reasonable alternative stressed scenario would result in a breach of minimum regulatory requirements or the Group's liquidity requirements.
- Evaluating the mitigating actions that management identified and assessing whether these were in the control of management and possible in the going concern period of assessment.
- Evaluating information obtained through review of regulatory correspondence, minutes of meetings of the Board, Group Audit and Group Risk Committees, as well as publicly available information to identify any information that would contradict management's assessment.

Auditors' Report and Opinion continued

Conclusions relating to going concern continued

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date on which the Single Group-wide Solvency and Financial Condition Report is authorised for issue.

In auditing the Single Group-wide Solvency and Financial Condition Report, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Single Group-wide Solvency and Financial Condition Report is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Emphasis of Matter – Basis of Accounting

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

Other Information

The Directors are responsible for the Other Information.

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

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

Responsibilities of Directors for the Single Group – wide Solvency and Financial Condition Report

The Directors are responsible for the preparation of the Single Group-wide Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA Rules, which have been modified by the modifications, and supplemented by the permissions made by the PRA under section 138A of FSMA, the PRA Rules on which they are based, as detailed below:

- Permission to publish a Single Group-wide 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 Single Group-wide Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the relevant elements of the Single Group-wide Solvency and Financial Condition Report

It is our responsibility to form an independent opinion as to whether the information subject to audit in the relevant elements of the Single Group-Wide Solvency and Financial Condition Report is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules on which they are based.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Prudential Regulation Authority and the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the Single Group-wide Solvency and Financial Condition Report. We also considered those laws and regulations that have a direct impact on the Single Group-wide Solvency and Financial Condition Report such as the PRA Rulebook applicable to Solvency II firms. We evaluated management's incentives and opportunities for fraudulent manipulation of the Single Group-wide Solvency and Financial Condition Report (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates specifically persistency assumptions used in the valuation of technical provisions and investments with a judgemental valuation, being investment properties and level 3 investments in the Diversified Assets Fund. Audit procedures performed included:

Auditors' Report and Opinion continued

- discussions with the Risk and Compliance function, Internal Audit and the company's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- reading the Group Audit Committee papers in which whistle blowing matters are reported and considered the impact of these matters on the group's compliance with laws and regulations
- reading key correspondence with the Prudential Regulation Authority, the Financial Conduct Authority and the Central Bank of Ireland in relation to compliance with laws and regulations
- reviewing relevant meeting minutes including those of the Board, Risk and Group Audit Committees;
- reviewing data regarding customer complaints and the company's register of litigation and claims, in so far as they related to non-compliance with laws and regulations and fraud
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations increasing reported revenues
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the Single Group-wide Solvency and Financial Condition Report. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

Report on Other Legal and Regulatory Requirements

Sectoral Information

In our opinion, in accordance with Rule 4.2 of the External Audit Part of the PRA Rulebook, the sectoral information has been properly compiled in accordance with the relevant PRA rules and UK law relating to that undertaking from information provided by members of the group and the relevant insurance group undertaking.

Other Information

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

The engagement partner on the audit resulting in this independent auditors' report is Gary Shaw.

PricewaterhouseCoopers LLP
Chartered Accountants

Bristol

26 February 2025

Auditors' Report and Opinion continued

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

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

- The following elements of Group template IR.22.01.22

  Column C0030 – Impact of transitional on technical provisions
- The following elements of Group template IR.23.01.04

  Rows R0410 to R0440 – Own funds of other financial sectors
- The following elements of Group template IR.25.04.22

  Rows R0500 to R0530 – Capital requirement for other financial sectors (Non-insurance capital requirements) (forming part of the sectoral information)
- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

A) Business and performance

A.1 Business

Name and legal form of the undertakings

St. James's Place plc (SJP plc) is a public limited company incorporated and domiciled in England and Wales (No. 03183415). SJP plc's registered address is St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire GL7 1FP.

St. James's Place UK plc (SJPUK) is a public limited company incorporated and domiciled in England and Wales (No. 02628062). SJPUK's registered address is St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire GL7 1FP.

St. James's Place International plc (SJPI) is a public limited company incorporated and domiciled in the Republic of Ireland (No. 185345). SJPI's registered address is Fleming Court, Flemings Place, Dublin 4, Ireland.

Prudential supervision

The Group is regulated as an Insurance Group with the Prudential Regulation Authority (PRA) as its lead regulator and is subject to the SII legislation as set out in the PRA handbook and associated policy and supervisory statements.

SJPUK is also regulated by the PRA.

SJPI is regulated by the Central Bank of Ireland (CBI).

The PRA may be contacted through their website at **www.bankofengland.co.uk/contact** or at 20 Moorgate, London, EC2R 6DA.

The CBI may be contacted through their website at **www.centralbank.ie/contact-us** or at PO Box 559, New Wapping St, North Wall Quay, Dublin 1, D01 F7X3.

A summary of the regulated entities in the Group, and their supervision, is provided in Note 22 in the Group Report & Accounts.

Auditors

As reported in the Group Report & Accounts, the Group's external auditor is PricewaterhouseCoopers LLP, 2 Glass Wharf, Bristol, BS2 0FR, who is also the external auditor for SJPUK.

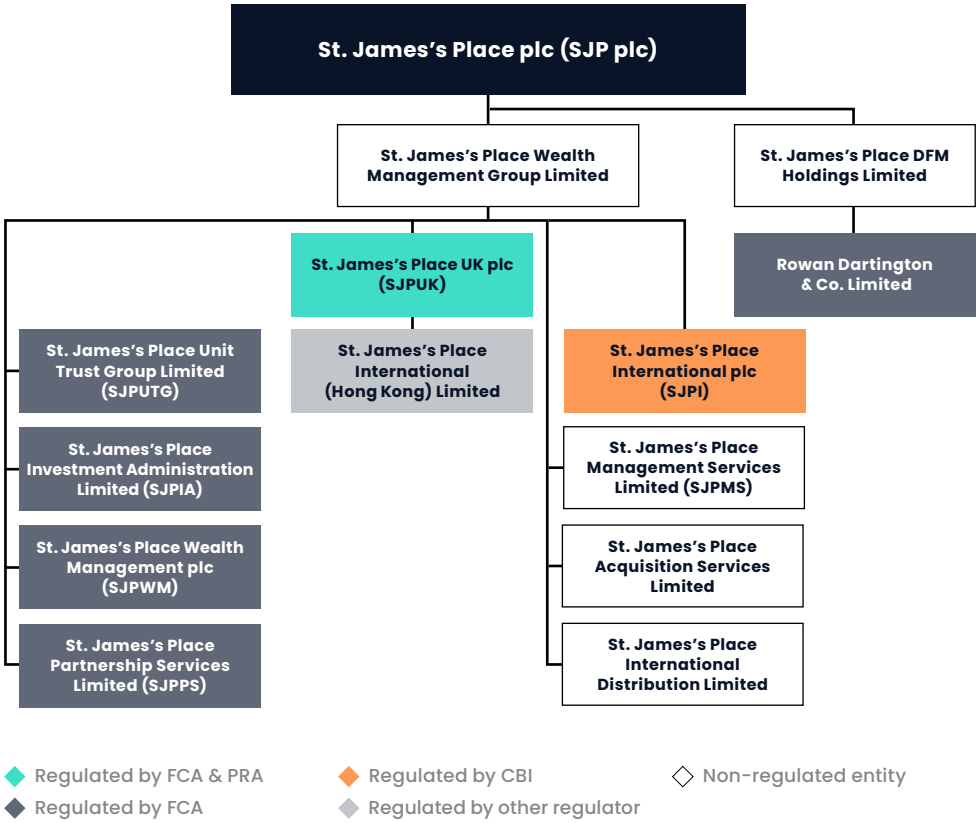
Grant Thornton, 13–18 City Quay, Dublin 2, D02 ED70, Ireland is the external auditor for SJPI.

Group ownership and structure

More information about the Group is included in the Group Report & Accounts in Note 26.

All significant operating companies based in the UK and Ireland, including SJPUK and SJPI, are held as subsidiaries of St. James's Place Wealth Management Group Limited (SJPWMG), which is a wholly owned subsidiary of SJP plc.

There is no difference between the scope of the Consolidated Financial Statements in the Group Report & Accounts, and this SFCR. A simplified Group structure diagram is included below:



A) Business and performance continued

A.1 Business continued

The entire issued ordinary share capital of SJP plc is listed on the London Stock Exchange. Details of the holders of material holdings are announced to the London Stock Exchange in accordance with the requirements of the Financial Conduct Authority's Disclosure Guidance & Transparency Rules (DTR).

As at 31 December 2024, and the date of this report, the Company had been notified of the following qualifying holdings under Chapter 5 of the DTR:

	% of voting rights as at 31 December 2024
BLS Capital	10.25%

The Group Report & Accounts also includes information about the ownership structure and related undertakings, as well as information about distributions to shareholders.

Business

An overview of the market and a description of the business model of the Group is set out in the Group Report & Accounts on pages 5 to 10. The business of each of the insurance subsidiaries is predominantly the provision of unit-linked investment bond and pensions contracts to retail clients.

A.2 Underwriting performance

Our business model is focused on advice-led wealth management, and the overwhelming majority of our insurance business is unit-linked investment bond and pensions business. This business has very low levels of insurance risk, which is partially covered by quota share reinsurance with a low level of risk retention. Underwriting performance is therefore not a significant driver of the Group's (or the insurance subsidiaries') long-term profitability.

More information about the Group's underwritten business can be found in Note 17 of the Group Report & Accounts.

A.3 Investment performance

The wealth management nature of our business means that delivering investment performance for clients is a key performance criterion. However, the unit-linked nature of our insurance business in both SJPUK and SJPI means that the impact of investment performance on profit is second order. In general, positive investment performance of our assets is passed on to clients through an equivalent increase in their benefits. An increase in benefits results in a proportionate increase in annual management charges (AMCs), which contributes to improved business performance, but our matching policy ensures that at all times we have sufficient assets to meet our liability to clients.

Excess assets held by the insurance companies (and the Group), above those required to match our liabilities to clients, are used as working capital and also as a prudential buffer. The Group's investment policy requires that these prudential assets should be invested in high credit quality and high liquidity assets, typically AAA rated money-market funds. Consequently, the investment performance of these assets is low, because we are focusing on security rather than yield.

More information about the investment performance of the assets held to cover our unit liabilities and our shareholder assets is presented in Note 6 of our Group Report & Accounts.

A.4 Performance of other activities

As described above, due to the unit-linked nature of our business, underwriting performance is not a significant driver of business performance at Group level or in the subsidiaries. Instead, the Group's performance is primarily dependent on levels of FUM and the resulting level of AMCs.

FUM grows with new business inflows, but is reduced by client encashments. As noted above, investment performance also impacts the level of FUM, either positively or negatively.

Insurance FUM for the Group, as well as for SJPUK and SJPI, have increased during the year, as the strong new business performance and continued high retention of existing business have combined with strong market performance.

Detailed information about the development of FUM in the Group and analysis of how this translates into the performance of the business can be found on pages 17 to 18 of the Group Report & Accounts

Information about the Group's leasing arrangements, which are not in either of the insurance subsidiaries, can be found in Note 13 of the Group Report & Accounts.

B) System of governance

B.1 General information on the system of governance

The Group

The Group is classified as an insurance group for regulatory purposes. The business performance of each of the regulated entities within the Group is ultimately linked with that of the Group as a whole and the majority of risks impact more than one of the regulated entities. The governance structure is designed to reflect this high level of integration, with the business of the Group being governed by a unified Group board committee structure at holding company level (SJP plc).

The Board of Directors of SJP plc (the Board) sets the strategic direction for, and risk appetite of the Group. The Board reserves a number of matters to itself but delegates certain responsibilities to board committees, whose members are non-executive directors. The Board delegates the day-to-day running of the Group, and the development of strategy for the Board's approval, to the Chief Executive Officer (CEO). Whilst the CEO remains accountable for those matters delegated to him, he has appointed a Group executive committee (GEC) to support him in fulfilling his responsibilities. The GEC comprises the Executive Directors of the Board and other members of senior management. The CEO has delegated to the members of the GEC individual responsibility for the principal divisions and functions within the Group, providing clear and effective delegations of authority and reporting structures.

Further information on the Board, the Group's system of governance, remuneration policies and material transactions with shareholders, is provided in the Corporate Governance Report on pages 54 to 71 and the Report of the Group Remuneration Committee on pages 91 to 126 in the Group Report & Accounts.

The Group has a consistent governance approach for the UK regulated entities allowing key functions to be organised as Group functions whilst recognising that there are specific local requirements as appropriate. This allows for consistent implementation of systems and procedures across the Group.

Responsibility for the management of each UK regulated entity is held by the CEO of the entity. Each entity has a CFO and SJPUK has a Chief Actuary who reports to the CFO of SJPUK. Each entity has a Chief Risk Officer who reports quarterly to the Board and attends every Board meeting. The Compliance Oversight function for the entities has been allocated to the entity CEO and then delegated directly to the Group Chief Compliance Officer. All of the aforementioned functions are required to report regularly to the Group Risk Committee, Group Audit Committee and SJPUK Audit Committee, and have unfettered access to the respective committee Chairs, ensuring the necessary authority, resources and operational independence to carry out their tasks. The Internal Audit Director has a direct reporting line to the Group, SJPUK and SJPI Audit Committees, with an operational reporting line to the Group CEO.

SJPUK

SJPUK is managed as a Group subsidiary company with a number of key governance, strategy, planning and risk management processes, and, to a large extent, senior operational management, operating at a Group level.

However, certain decisions and key matters must be considered directly by the Board of SJPUK, which comprises of an independent Non-executive Chair and Non-executive and Executive Directors. Such matters include:

- Those required by law (e.g. matters under the Companies Act 2006 (such as dividend payments) and accounting and auditing legislation (such as approving annual accounts));
- Those required by regulators (e.g. approval of the SII disclosures); and
- Other commercial matters that the directors of SJPUK deem, in view of their fiduciary duties, that they should consider directly (e.g. entering into key agreements).

During 2024, SJPUK has continued to operate its own Audit Committee, membership of which comprises of Non-executive Directors. The SJPUK Audit Committee is chaired by John Hitchins, who is also Chair of the Group Audit Committee. The SJPUK Audit Committee meets concurrently with the Group Audit Committee and considers all audit and internal control related matters on behalf of SJPUK. Key decisions and information from the SJPUK Audit Committee meeting are then discussed at the SJPUK Board meeting.

Overall, the Board of SJPUK aligns the company with the strategic direction and risk appetite set by the Group.

SJPI

SJPI is similarly managed as a Group subsidiary, with responsibility for management of the Irish regulated entity held by the Managing Director and with certain activities outsourced to the Group. As with SJPUK, certain decisions and key matters are reserved to the SJPI Board, which comprises independent Non-executive, Non-executive and Executive Directors. Overall, the Board of SJPI aligns the company with the strategic direction and risk appetite set by the Group.

There are, however, specific governance requirements associated with operating an insurance company in Ireland, and as a consequence the company is required to maintain additional distinct standalone governance arrangements, including dedicated Audit and Risk Committees. The Group Board and GEC interact regularly, as appropriate, with the Board of SJPI and its sub-committees.

A number of the key functions are also undertaken locally, with the Chief Risk Officer being one of the local Executive Directors of the subsidiary. There are also local Compliance and MLRO function holders who report into the SJPI Chief Risk Officer and the SJPI Board. The Head of Actuarial Function is outsourced to Milliman, Dublin.

The Group's Internal Audit Director also fulfils the Internal Audit function for SJPI.

B) System of governance continued

B.1 General information on the system of governance continued

Assessment of adequacy

All UK-regulated entities within the Group continue to fall under the Senior Managers & Certification Regime (SM&CR). SJPI, as a regulated entity in the Republic of Ireland, is subject to the Individual Accountability Framework (IAF) and the Senior Executive Accountability Regime (SEAR).

The following key appointments were made during the last year:

- Dominic Burke resigned from the Board of St. James's Place plc and as Senior Independent Director in January 2024. He also stepped down from the Board of SJPUK on the same date. John Hitchins replaced Dominic Burke as Interim Senior Independent Director.
- Simon Fraser was appointed to the Board of SJP plc and SJPUK in April 2024. He also replaced John Hitchins as Interim Senior Independent Director in July 2024.
- Simon Jeffreys resigned as a Non-Executive Director of the Board of SJPI in April 2024, having stepped down as Chair of the Board in January 2024. Ian MacKenzie, an existing Board member, was appointed as Chair on an interim basis until Ruairí O'Flynn was appointed in August 2024 as Chair of the Board and an Independent Non-Executive Director.
- Charles Woodd and Tony O'Riordan were appointed to the Board of St. James's Place Investment Administration Ltd (SJPIA) in July 2024, with Tony O'Riordan appointed as Chair of the Board.
- Craig Gentle resigned from the Board of SJPUTG in July 2024 and from SJPIA, SJPPS and SJPWM plc in September 2024.
- In September 2024, Caroline Waddington was appointed to the Board of SJP plc and the following regulated entities – SJPWM plc and SJPPS.
- Mark Sutton resigned from the Board of SJPPS in November 2024 and Iain Rayner also resigned from the Board of SJPPS in December 2024. Hestie Reinecke was appointed at the Group Chief Risk Officer in October 2024 and replaced Mark Sutton in this role.
- In December 2024, Andy Moss was appointed to the Board of SJP WM plc as Independent non-executive director and Chair of the Board. John Hitchins was also appointed as a non-executive director. Iain Rayner and Peter Edwards stepped down from the Board of SJP WM plc in December 2024.
- Mary Fulton resigned from the Board of SJPI plc as Audit Committee Chair and an Independent Non-Executive Director on 8 December 2024.
- In December 2024, it was announced that Rooney Anand would join the SJP plc Board as an Independent non-executive director from 1 January 2025. He also joined the Group Risk Committee and the Group Remuneration Committee.
- Clara Dunne was approved by the Board of SJPI as Audit Committee Chair and an Independent non-executive director in December 2024, and was approved by the CBI on 17 January 2025.

There have been no other material changes in the system of governance during the year, and the Group believes it remains appropriate taking into account the nature, scale and complexity of the risks inherent in the business. In particular, the centralised approach reflects the highly integrated and inter-dependent nature of the Group's activities. The governance arrangements are kept under review at all times to ensure that they remain appropriate.

B.2 Fit and proper requirements

The Group is committed to ensuring that all members of its Boards, key function holders and other senior individuals within the Group (including all Senior Management Function holders and Certified Staff), behave with integrity, honesty and skill, and this commitment is documented in the Fitness and Propriety Policy. The Group has processes in place to ensure appropriate standards of fitness and propriety are met and maintained, both prior to appointment and on an ongoing basis thereafter.

The key elements within the fitness and propriety framework, which apply to each individual, are:

- A preappointment assessment, including: assessment of the individual's knowledge; technical capability; business conduct; behavioural competencies; professional experience and qualifications; receipt of a regulatory reference; and receipt of satisfactory criminal record and credit checks.
- A skills gap analysis, including the transference of any gaps in ability to perform the role to a learning and development plan.
- A probationary period and an appropriate induction programme.
- A job description, setting out the significant requirements of their role.
- For Senior Manager Function holders, the maintenance of a Statement of Responsibilities document, listing the core governance and key functions applicable to the role.
- An annual assessment of the fitness and propriety of Senior Manager Function and Certified Function holders
- An annual review of performance against objectives and assessment of behaviour against regulatory conduct standards.
- A review of their fitness and propriety, whenever they are impacted by a significant business change or there is a significant change in their responsibilities.

Where a key function is outsourced, the Group ensures that the outsourcing firm carries out appropriate assessments of fitness and propriety for those responsible for the provision of the function and provides evidence of this.

In addition, the Group Nomination and Governance Committee regularly reviews the structure, size and composition of the Board, including skills, knowledge and experience, and makes recommendations to the Board with regard to any changes. When a new appointment is required, the Group Nomination and Governance Committee evaluates the balance of knowledge, skills and experience of the Board members and uses this evaluation to inform the selection of a suitable candidate.

SJPI is an Irish incorporated life insurance undertaking which is regulated by the Central Bank of Ireland (CBI). Both SJPI, and its Singapore Branch (SJPISB) (which is regulated by the Monetary Authority of Singapore (MAS)), fall within the remit of the Irish Fitness and Probity Regime (the F&P Regime). SJPISB also complies with its local Fit & Proper Regime under the regulation of the MAS.

The F&P Regime was introduced by the CBI under the Central Bank Reform Act 2010. The core function of the F&P Regime is to ensure that persons in senior positions (designated as Pre-Approved Controlled Functions (PCFs) and Controlled Functions (CFs)) within financial service providers are: 'competent and capable, honest, ethical and of integrity and also financially sound'.

B) System of governance continued

B.2 Fit and proper requirements continued

SJPI is required under Section 21 of the Central Bank Reform Act 2010, to ensure that it does not allow a person to perform a PCF/CF unless it is satisfied on reasonable grounds that this person complies with the Fitness and Probity Standards (the Standards), a code issued under section 50 of the Central Bank Reform Act 2010. PCFs require the prior approval of the CBI.

SJPI completes onboarding and ongoing due diligence assessments of its population of PCFs and CFs to include its outsourced PCFs/CFs. Due diligence is completed in line with those requirements set out by the CBI in its Fitness & Probity legislative framework. These obligations are documented within SJPI's Fitness and Probity Procedures. SJPI maintains a register of its PCFs/CFs.

Records are maintained, and notifications made to the regulators, as and when required.

In addition to the requirements under the Fitness & Probity Regime, the Individual Accountability Framework (IAF) also requires SJPI to clearly and fully document where responsibility and decision-making lie within its senior management, imposing a legal duty of responsibility on individuals performing pre-approval controlled functions (PCFs) within SJPI. The IAF also sets the expected standards of conduct for SJPI and for those individuals who are performing controlled functions (CFs) including the subset pre-approval controlled functions, the reasonable steps required to meet the obligations under the framework, and places an obligation SJPI to proactively certify that those individuals meet the Central Bank's Standards of Fitness and Probity. The Central Bank's powers have been enhanced under the IAF including the power to take enforcement action directly against individuals who have breached their personal legal obligations including their obligations under the conduct standards.

Further information about the effectiveness and performance of the Group Board is included on page 71 of the Group Report & Accounts.

B.3 Risk management system including the ORSA

The risk management system applies consistently across the Group, and information on this is included on pages 30 to 38 of the Group Report & Accounts. Additional information on the activity of the Group Risk Committee can be found on pages 85 to 90.

The Board and insurance entity boards are responsible for setting the risk appetite for their main risks. These risks are monitored on a regular basis by the Group Risk Committee, ExCo, the Boards of SJPUK and SJPI, and SJPI's Risk Committee.

The Own Risk and Solvency Assessment (ORSA) process is described on page 32 of the Group Report & Accounts, including how it is integrated into the strategic planning, capital management, and risk identification and management processes of the Group.

The ORSA follows an annual cycle which links business activity and strategic objectives, including capital management activities, with comprehensive assessments of the risk the business faces. It uses outputs from the Risk Management processes to inform and agree risk tolerance and own solvency requirements for each insurance entity and at the wider Group level. The ORSA cycle includes:

- Identifying and assessing risks in accordance with the Risk Management Framework;
- Projecting the capital requirements and expected Own Funds based on strategic plans and risk profile;
- Assessing the own solvency requirements within each of the regulated insurance entities and for the Group to remain solvent under reasonably foreseeable conditions;
- Monitoring compliance with the SCR and Technical provisions; and
- Reporting conclusions and findings to the Board and regulators.

The ORSA process is directed by the Board, with active engagement from the Boards of SJPUK and SJPI. The process comprises of a comprehensive risk assessment; understanding of the risks of each entity and how they are managed; and understanding how those risks might change, in the context of the strategic plan. It also incorporates a quantitative analysis of the capital required, and how this might develop over our five-year planning period.

Where on-going risk monitoring identifies a material change with a notable impact across the Group's operations or confirmation of a fundamental change to our business model which renders the existing assessments invalid, an ad-hoc ORSA Summary Report will be produced.

The ORSA has been used in the decision-making process for this year, ensuring risk and capital management is appropriately considered. More information on this can be found on page 85 of the Group Report & Accounts. The ORSA continues to evolve and strengthen risk management processes throughout the Group.

The risk profiles of SJPUK and SJPI are consistent with the key risk exposures described in the Group Report & Accounts, although risks relating to the provision of advice have only an indirect impact on the insurance companies. Solvency requirements for each insurance company are calculated separately and monitored by their respective boards, which are also overseen by the Board. The appropriateness of solvency needs is validated through the following activities:

- Subjecting the financial projections to a series of stresses and scenario tests to measure the sensitivity of our financial position to changes in key modelling assumptions.
- Analysing the impact of material and emerging risks under both reasonably foreseeable and extreme conditions to validate the appropriateness of the control environment and capital buffers.
- Reviewing the assumptions underlying the SCR to assess whether the Standard Formula remains appropriate based on the risk profile of the solo entities.
- Validating the outcome of ORSA processes over time by back-testing historic scenarios and forecasts. The outcome of this testing is reported in the control documentation prior to the approval of the ORSA report.

B) System of governance continued

B.4 Internal control framework

Information about the Internal Control Framework, including the Risk and Control Self-Assessment process that operates consistently across the Group, is provided in the Risk Management section of the Group Report & Accounts on page 31, with an evaluation of the system included in the Report of the Group Audit Committee on pages 76 to 84.

The SJPUK Audit Committee and SJPI Audit Committee maintain oversight of SJPUK and SJPI internal controls respectively. For other Group subsidiaries, oversight of internal controls is delegated to the Group's Audit Committee.

The System of Internal Control is underpinned by the Internal Control Model which is designed to ensure the Group meets the key objectives of the business model. This is achieved by adopting the '3 Lines of Defence' model for internal control providing a structured approach for defining risk and control responsibilities.

St. James's Place plc

Established three lines of defence ensures the appropriate management of the Group's risks

First Line: Operational Management

- Responsible for ensuring that appropriate controls are in place to address risks and assessing the effectiveness of these, to enable the Group to meet the aims of its internal control model (including activities undertaken by outsourced relationships).

Second Line: Risk, Internal Controls and Compliance Functions

- Group Risk facilitates, monitors and reports on the implementation of the risk policies, processes and controls by operational management. This is done through regular risk review meetings and the facilitation of the annual management risk and control self-assessment process.
- Compliance Assurance provides assurance on the adequacy of relevant processes in the mitigation of the specific risks associated with non-compliance with applicable laws and regulations.

Third Line: Internal Audit

- The Internal Audit team, which is independent of executive management and the first and second lines of defence, provides independent and objective assurance on the internal control model to the Audit Committee through its programme of audit reviews which includes an annual internal control evaluation.

The Group maintains the following permanent and effective teams which collectively comprise the Compliance Function across the Group and report into the Chief Risk Officer:

- **Compliance Advisory** to advise the business on compliance with a focus on company governance, compliance with the Senior Managers and Certification Regime, and maintaining the FCA relationship;
- **Regulatory Guidance** to monitor regulatory developments and business impact; to provide guidance in the compliant development of new products and services and provide guidance during any change to existing products and services; and
- **Compliance Assurance** to conduct themed reviews and checks across all divisions to provide assurance that compliant implementation has been maintained.

The Compliance Function is complemented by the following teams which, alongside Group Risk, report into the Chief Risk Officer for the second line of defence:

- **Financial Crime Prevention** to oversee the compliance with the regulatory requirements for financial crime prevention including fraud, anti-money laundering, anti-bribery and anti-corruption.

In addition, Business Assurance and Field Risk monitor advice and adviser activity as part of the first line of defence. Work is underway to consider whether any of this activity should move to the second line.

The activities performed by these functions fall under the oversight of the Group Risk Executive Committee. They operate independently to the business and are responsible for:

- Ensuring adequate policies and procedures are in place to detect any risk of failure to comply with the Group's regulatory obligations;
- Monitoring and, on a regular basis, assessing the adequacy and effectiveness of the measures and procedures noted above; and
- Advising and assisting those responsible for carrying out advice-related services and activities to ensure they remain in compliance with all relevant laws, regulations and directives.

Each Group company has a nominated individual responsible for oversight of all compliance matters, including compliance with all relevant regulations and directives. They are responsible for reporting on compliance matters to senior management, and for indicating whether appropriate remedial measures have been taken in the event of any deficiencies.

A Group Compliance Policy is maintained to identify the compliance structure and systems and controls, which is approved by the Group Risk Executive Committee and Group Risk Committee. The policy is reviewed annually or in the event of a material change to the underlying risk profile. It is supported by an annual Compliance Assurance Plan which involves a risk-based review of the business to provide assurance that activities remain within the Group Compliance Policy.

B) System of governance continued

B.5 Internal audit function

The Internal Audit Division is structured as a Group level function with responsibility for providing third line assurance on all entities within the Group. In this respect it supports the Group, SJPUK and SJPI Audit Committees. The function conforms to the Institute of Internal Auditors Global Internal Audit Standards and the UK Internal Audit Code of Practice (2025).

To ensure its independence, Internal Audit does not have managerial responsibilities for any entity within the Group. The impartiality of judgements provided to senior management are safeguarded by the Internal Audit Director's direct reporting line to the Chair of the Group Audit Committee, direct access to the Chairs of the SJPUK and SJPI Audit Committees, an operational reporting line to the Chief Executive, and unrestricted access to senior management and the Board.

The powers of the Internal Audit Division are formally outlined in the Internal Audit Charter which is reviewed annually by the audit committees and constitutes the Internal Audit Policy of the Group.

Information about the performance of the Internal Audit Division can be found in the Report of the Group Audit Committee on page 82 of the Group Report & Accounts.

B.6 Actuarial function

Most of the actuarial work for the Group is undertaken by a centralised team. However, the regulatory responsibility is fulfilled by a named individual for each of the relevant jurisdictions.

The Chief Actuary for the Group and SJPUK is directly employed and reports to the SJPUK Chief Financial Officer, but has direct access to the Group Board, reporting regularly to the Group Audit and Risk Committees. He is also a Non-Executive Director of SJPI.

The Head of Actuarial Function role for SJPI is outsourced to Milliman, an actuarial consultancy firm based locally in Dublin, who reports regularly to the SJPI Board and its Committees. This also provides access to local professional knowledge and experience.

In all jurisdictions, the Actuarial Function is linked with the Risk Function, providing support and advice, as well as assistance in generating quantitative analysis to support investigations of financial sensitivities, projections and scenarios.

B.7 Outsourcing

The Group outsources the majority of its fund management, back office and administration processes to reputable third parties in order to focus on its core competencies, and will continue to do so provided that the arrangements do not:

a) materially impair the quality of the system of governance of the Group;

b) unduly increase operational risk;

c) impair the ability of the supervisory authorities to monitor the compliance of the Group with its obligations; and/or

d) undermine continuous and satisfactory service to clients.

The Group's Outsourcing and Supplier Management Policy sets out our minimum standards in relation to the selection, contracting, due diligence and ongoing management of outsourcing relationships. The policy is maintained by the Third Party Management & Oversight Team and is reviewed on a three-yearly cycle by a cross-functional panel and was last amended in March 2023. All new material outsource contracts are subject to approval by Group Legal, Group Risk, the Group Board and the Board or Executive Committee of any relevant contracting and receiving entity in addition to the business function managing the outsourcer.

The policy sets out requirements for a named Business Owner and Executive Owner for each contract, with these individuals holding responsibility for ensuring appropriate oversight frameworks and safeguards are in place to manage operational and regulatory risks. Senior managers within the Group (Executive Owners) remain ultimately accountable for the performance of any key function which is outsourced within their directorate, alongside named key individuals within each outsourcer who are responsible for performance of the contract.

Outsourcing of fund management is managed through our Investment Management Approach (IMA). More information about the IMA and the process of selecting fund managers is provided on page 9 of the Group Report & Accounts and also on the Group website at: **www.sjp.co.uk/advice-and-products/investments/investment-management-approach**.

B) System of governance continued

B.7 Outsourcing continued

The details of our key external outsourcing arrangements as at 31 December 2024 are listed in the tables below:

Back-office and administration service providers

Service Provider	Nature of Outsourced Service	Jurisdiction
Amazon Web Services, Inc.	IT Hosting Services	USA
SS&C Financial Services International Limited	Administration Services	UK
SS&C International Managed Services Ltd	Administration Services	Ireland
Intellect Design Arena Ltd	Technology Development Services	UK
Milliman	Head of Actuarial Function	Ireland
NatWest Trustee & Depositary Services Ltd	Trustee Services	UK
State Street Bank and Trust Company	Custodian, Trustee Services and Fund Administration Services	UK
Exponential-e	Cloud & Connectivity Services	UK
Microsoft Ireland Operations Ltd	Software Services	Ireland
Objectway	Back-Office Platform Services	UK
Salesforce	Customer Relationship Management Services	UK
Unit4	Enterprise Resource Planning Services	UK
Zoom	Telephony and Call Recording Services	UK
Snowflake	Data Management Services	USA
Passfort (Moody's)	Prospective client identification & verification checking and sanction screening	UK
Napier	Ongoing PEP and Sanctions screening & Adverse media checks	UK

Fund management (IMA)

Service Provider	Nature of Outsourced Service	Jurisdiction
Acadian Asset Management LLC	Fund Management	USA
ACR Alpine Capital Research, LLC	Fund Management	USA
Aikya Investment Management Ltd	Fund Management	UK
Amundi (UK) Limited	Fund Management	UK
Arga Investment Management LP	Fund Management	USA
Aristotle Capital Management LLC	Fund Management	USA
Artemis Investment Management LLP	Fund Management	UK
Artisan Partners Limited Partnership	Fund Management	USA
Axiom Investor LLC	Fund Management	USA
Baillie Gifford Investment Management (Europe) Ltd	Fund Management	UK
BlackRock Investment Management (UK) Ltd	Fund Management	UK
BlueBay Asset Management LLP	Fund Management	UK
Burgundy Asset Management Ltd	Fund Management	Canada
Capital Four Management Fondsmæglerselskab A/S	Fund Management	Denmark
Comgest Asset Management International Limited	Fund Management	Ireland
Dalton Investments, Inc	Fund Management	USA
EdgePoint Investment Group, Inc.	Fund Management	Canada
First Sentier Investments (Hong Kong) Limited	Fund Management	Hong Kong
Fulcrum Asset Management LLP	Fund Management	UK
GLG Partners LP	Fund Management	UK
Grantham, Mayo, Van Otterloo & Co. LLC	Fund Management	USA
Goldman Sachs Asset Management International	Fund Management	UK
Independent Franchise Partners, LLP	Fund Management	UK
Impax Asset Management Limited	Fund Management	UK
Invesco Asset Management Ltd	Fund Management	UK
J O Hambro Capital Management Limited	Fund Management	UK
JP Morgan Asset Management (UK) Limited	Fund Management	UK
Kohlberg Kravis Roberts & Co. L.P.	Fund Management	USA
Lazard Asset Management Limited	Fund Management	UK
Loomis, Sayles & Company, LP	Fund Management	USA
Los Angeles Capital Management and Equity Research Inc	Fund Management	USA
MidOcean Credit Fund Management LP	Fund Management	USA
Northern Trust Global Investments Ltd	Fund Management	UK
Ninetyone UK Limited	Fund Management	UK
Numeric Investors LLC	Fund Management	USA
Oaktree Capital Management, LP	Fund Management	USA
Orchard Street Investment Management LLP	Fund Management	UK
Payden & Rygel	Fund Management	USA
PineBridge Investments LLC	Fund Management	USA
Pzena Investment Management LLC	Fund Management	USA
Robeco Institutional Asset Management B.V.	Fund Management	Netherlands
RWC Partners Ltd	Fund Management	UK
Sanders Capital LLC	Fund Management	USA
Sands Capital Management LLC	Fund Management	USA
Schroder Investment Management Ltd	Fund Management	UK
Select Equity Group, Inc.	Fund Management	USA
State Street Global Advisors Limited	Fund Management	UK
Threadneedle Asset Management Ltd	Fund Management	UK
TwentyFour Asset Management LLP	Fund Management	UK
Wasatch Advisors, Inc.	Fund Management	USA
WCM Investment Management, LLC	Fund Management	USA
Wellington Management Company LLP	Fund Management	USA

C) Risk profile

Information about the risk profile of the business, and the principal risks and uncertainties that are inherent within both the Group's business model and the market in which we operate, is included on pages 30 to 38 of the Group Report & Accounts, in the Risk Management section. These are the risks which could have a material impact on the key strategic outcomes.

Against each of the risks, consideration is given to the level of exposure (likelihood and impact) and the extent to which the risk can be mitigated. This is recorded through local level risk registers and aggregated into a Group-level 'Principal Risks'. The Group Report & Accounts set out the principal risks, the key strategic areas on which they impact, and the high-level controls to mitigate them.

The principal risks to our business largely remain the same, but the controls and mitigations are under constant review. Inflation has reduced in 2024 from the high levels seen in recent years, although following the Autumn Budget it is expected to remain above the UK Government's target of 2% over the next few years, which could further impact on the cost of living and put pressure on expenses. The Autumn Budget made a variety of changes to taxation, and the impact of the tax changes on clients could result in reduced capacity or desire to save into certain products. SJP's advisers, through ongoing financial advice and a broad product/investment range, can support clients in managing their financial affairs; to combat the effects of inflation on the standard of living they are aiming for in retirement; and to remain tax-efficient in their savings as the tax landscape changes.

We are also mindful of the potential for global geopolitical tensions to escalate, which could have relevance to the Group through the impacts on financial markets and through heightened cyber risk.

Although new challenges have been introduced, the key risks remain the same and are managed in line with our risk framework, with the Group's business model demonstrating resilience to macroeconomic factors through 2024.

The Group's stress and scenario testing conducted as part of the ORSA, which include the new charging structure changes planned for 2025, demonstrates that the business is resilient to changes in both interest rates and inflation.

The design of the Group's product offering on a unit-linked basis was conceived from outset as an attractive client proposition, but also a risk management opportunity. In combination with the corporate investment strategy of fully matching our liabilities to clients with the relevant assets, all material risks are greatly reduced from this business, apart from operational risk. More information about our Investment Management Approach can be found here: **www.sjp.co.uk/products-and-services/investment/investment-management-approach**.

The governance framework we have implemented is designed to mitigate risk and ensure that assets held within each fund are appropriate for the risk profile and scope of the investment mandate. We also ensure that our investment proposition remains appropriately positioned to meet the requirements of our clients. The comprehensive governance framework includes, amongst other components:

- an Investment Committee comprising both executive and non-executive expertise;
- an internal Investment Operations Committee which provides oversight of fund operations;
- an internal team dedicated to the monitoring of the investment risk aspects of our third-party fund managers; and
- the retained services of a range of specialist independent investment consultants.

Outside the unit-linked funds, the vast majority of shareholder assets above those required to meet client liabilities (and those for related advice fees) are invested in highly rated and highly liquid sterling denominated cash-type investments, such as short-dated government securities, AAA rated money market funds, and bank deposits. Minimum credit ratings, and diversification and liquidity requirements are managed through a Group Credit Risk Policy and a Group Liquidity Risk Policy.

Collectively, this oversight and governance also gives the Group comfort in continued adherence to the prudent person principle.

More information about the Financial Risks in our business can be found in Note 20 of the Group Report & Accounts.

C) Risk profile continued

C.1 Underwriting risk

The unit-linked nature of our products in both SJPUK and SJPI is designed to mitigate the impact of underwriting risks on the business.

a) Retention

The Group's ability to retain funds under management may be impacted by changes in the economic climate, poor investment performance, competitor activity, or reputational damage to the Group. Higher levels of lapses, or expected future lapses, whether from a one-off event, or from an increase to our assumptions of long-term experience, would reduce the Group's future profitability. However, the unit-linked nature of our business means that the impact on the Group's solvency position is limited, since technical provisions, Own Funds, and capital requirements would all move broadly in line with the lower level of business.

The following table shows the impact of a 10% increase in the assumed level of future lapses:

10% increase in lapses

	SJPUK		SJPI		Group	
Percentage change in:	**2024**	2023[1]	**2024**	2023[1]	**2024**	2023[1]
Solvency Capital Requirement (SCR)	(7%)	(6%)	(6%)	(6%)	(6%)	(6%)
Own Funds	(4%)	(4%)	(2%)	(1%)	(4%)	(3%)
Base Solvency Ratio	173%	179%	186%	171%	193%	191%
Scenario Solvency Ratio	177%	184%	195%	180%	199%	197%

1 Restated

The table shows that increasing the assumed level of future lapses (normally considered a negative result), leads to a reduction in Own Funds, together with a broadly offsetting reduction in SCR. As a result, the sensitivity counterintuitively leads to a small increase in the Group's solvency ratio. A similar effect is seen in both SJPUK and SJPI.

b) Expenses

Changes in expenses, particularly administration costs, would impact on the Group's future profits. Increasing our long-term assumption of expense levels would increase both our technical provisions and our capital requirements.

The following table shows the impact of a 10% increase in the assumed level of per policy expenses:

10% increase in per-policy expenses

	SJPUK		SJPI		Group	
Percentage change in:	**2024**	2023	**2024**	2023	**2024**	2023
Solvency Capital Requirement (SCR)	0%	0%	0%	0%	0%	(0%)
Own Funds	(1%)	(2%)	(3%)	(3%)	(1%)	(2%)
Base Solvency Ratio	173%	179%	186%	171%	193%	191%
Scenario Solvency Ratio	171%	177%	181%	166%	191%	189%

The table shows that an increase in per-policy expenses would lead to a small reduction in the Group's solvency ratio. A similar effect is seen in both SJPUK and SJPI.

c) Mortality and morbidity

The insurance subsidiaries have only small legacy portfolios of protection business. The level of mortality and morbidity risk relating to this business is therefore immaterial.

Information about insurance risks in our group, including underwriting and reinsurance, is included in Note 17 of the Group Report & Accounts.

C.2 Market risk

The unit-linked nature of the Group's products, and our matching strategy, means our corporate exposure to market risk only has a second-order impact on future management charge income. Our investment policy for shareholder assets also substantially mitigates market risk.

a) Funds under management

Adverse market movements would reduce the Group's future profitability through lower levels of annual management charges. However, the impact on the Group's ability to meet client liabilities would be limited, due to the unit-linked nature of the Group's business.

The impact of market movements on the Group's solvency ratio (and that of SJPUK and SJPI) is counterintuitive, as increases in FUM may lead to a temporary reduction in the solvency ratio (which would be expected to unwind over time). Similarly, reductions in FUM can lead to a temporary increase in the solvency ratio. These effects arise mainly due to the 'symmetric adjustment' used within the Standard Formula, which tends to increase the capital requirements for equity investments in rising markets (and conversely to reduce them in falling markets).

The following tables show the impact of a 10% reduction or 10% increase in current funds under management (including allowance for the knock-on impact on the symmetric adjustment):

10% decrease in FUM

	SJPUK		SJPI		Group	
Percentage change in:	**2024**	2023	**2024**	2023	**2024**	2023
SCR	(17%)	(20%)	(14%)	(15%)	(16%)	(18%)
Own Funds	(9%)	(12%)	(6%)	(7%)	(8%)	(10%)
Base Solvency Ratio	173%	179%	186%	171%	193%	191%
Scenario Solvency Ratio	190%	196%	202%	187%	213%	209%

10% increase in FUM

	SJPUK		SJPI		Group	
Percentage change in:	**2024**	2023	**2024**	2023	**2024**	2023
SCR	17%	20%	15%	13%	16%	18%
Own Funds	9%	12%	6%	7%	8%	10%
Base Solvency Ratio	173%	179%	186%	171%	193%	191%
Scenario Solvency Ratio	161%	168%	172%	163%	179%	179%

Note: The impact of future market shocks may vary from those shown, depending on the level of the symmetric adjustment prior to the shock.

C) Risk profile continued

C.2 Market risk continued

Following strong market performance over the year, the symmetric equity adjustment published by the PRA increased from (0.06)% at 31 December 2023 to 3.06% at 31 December 2024 (with an equivalent increase from 1.46% to 2.86% in the rates published by EIOPA, which applies to the valuation of SJPI). As the symmetric adjustment is limited to a maximum of 10% and a minimum of (10)%, this affects the relative impact of the sensitivities shown in 2023 and 2024.

b) Risk-free rate

Given the nature of the Group's business, changes to the risk-free rate have only a second-order impact on our client liabilities. However, a reduction in the risk-free rate would place more value on future expenses, leading to an increase in technical provisions and capital requirements.

The following table shows the impact of a 1% reduction in the risk-free rate:

1% reduction in risk-free rates

	SJPUK		SJPI		Group	
Percentage change in:	**2024**	2023	**2024**	2023	**2024**	2023
SCR	0%	0%	(1%)	0%	0%	(0%)
Own Funds	(2%)	(3%)	(4%)	(5%)	(2%)	(3%)
Base Solvency Ratio	173%	179%	186%	171%	193%	191%
Scenario Solvency Ratio	169%	175%	181%	162%	189%	186%

Note: This table ignores any knock-on effect of lower market rates on the Group's funds under management.

C.3 Credit risk

Credit risk exposure for our unit linked funds sits with individual clients, with our oversight functions ensuring that exposures remain within the parameters of the relevant investment mandates. Our investment policy for shareholder assets means credit risk is minimised (through investing in highly rated and highly liquid assets, such as government securities, AAA rated money market funds, and bank accounts).

Both SJPUK and SJPI have small legacy books of protection business, partially covered by quota share reinsurance with a low level of risk retention. The Group uses highly rated reinsurers and monitors their credit ratings and the level of reinsurance balances in order to minimise the associated credit risk.

C.4 Liquidity risk

Typically, our unit-linked funds are invested in deep and liquid markets, meaning client encashments can easily be matched by underlying asset realisation. However, in stressed scenarios some asset types can become illiquid and have the potential to impact our ability to meet client encashments immediately. Although policy terms and conditions typically include clauses allowing deferral of the encashment, which provides a window for the Group to be able to manage a more orderly solution to clients' encashment requests, our aim is to manage this risk to minimise the need for deferrals. Such circumstances, where usually liquid asset types become illiquid, are rare and so the level of liquidity risk in relation to the unit-linked business is typically very low. The Group monitors its liquidity position and performs stress and scenario testing to ensure liquidity risk remains within the Group's risk appetite.

A small proportion of the linked funds is invested in less liquid asset types, including property and alternative assets. The additional liquidity risk associated with these funds is communicated clearly to clients, and mitigants are in place to manage the liquidity risk.

Our investment policy for shareholder assets also means liquidity risk is minimised and comprehensive cashflow forecasting is conducted continuously to monitor cashflow over the short and medium term, and funding requirements over the long term.

The level of expected profit included in the future premiums within the valuation of technical provisions is zero.

C.5 Operational risk

Many of the principal risks for the Group, identified on pages 35 to 37 of the Group Report & Accounts are operational risks, reflecting the inherently low risk nature of our unit-linked insurance business, particularly in relation to typical insurance and economic risks.

In relation to our operations, a key feature of our business model is outsourcing of a number of important elements. Whilst outsourcing changes the characteristics of the 'gross' operational risk, our robust governance framework for oversight of material outsourcing arrangements provides mitigation to this exposure, bringing the 'net' exposure in line with our corporate risk appetite.

C.6 Other material risks

All other material risks are described on pages 35 to 38 of the Group Report & Accounts.

C.7 Any other information

As part of the Group's ongoing risk management approach, we perform a range of stress and scenario tests, reporting on the output as part of the Group ORSA. The Group's stress and scenario testing comprises two elements:

- Sensitivity and stress testing of the financial and capital position to changes in key modelling assumptions – for the most part these changes have limited impact on solvency ratios as the insurance assets and liabilities move in line with each other.
- Exploration of plausible adverse scenarios that may arise in the normal course of business – where possible the Group undertakes quantitative analysis of solvency and profit and loss impacts, augmented with qualitative analysis if modelling is not appropriate. This scenario testing also includes analysis of new risks emerging in the business and our programme of reverse stress testing.

D) Valuation for solvency purposes

Under the definitions set out in the relevant SII legislation, SJP plc is an 'insurance holding company', at the head of an insurance group. The Group valuation exercise therefore reflects the following assessments:

- Valuations for each of the 'solo' insurance entities, SJPUK and SJPI, using the SII methodology and basis in line with the relevant SII regime; and
- Valuations of other regulated Group companies in line with the appropriate sectoral rules for Own Funds and capital requirement.

The Group result has been prepared using the Accounting Consolidation-based method – Method 1 – as set out under the relevant SII regime.

In general, the valuation method is aligned with IFRS and so the basis of preparation aligns with the accounting policies outlined in Notes 1 and 2 of the Group Report & Accounts. Exceptions to these methods are outlined in the relevant sections below.

D.1 Assets

Group

Assets	Statutory accounts value (IFRS) £'Million	Reallocations £'Million	Reassessment of participations £'Million	Accounting policy differences £'Million	Solvency II value (31/12/2024) £'Million	Solvency II value (31/12/2023) £'Million
Goodwill	23.3	–	–	(23.3)	–	–
Deferred acquisition costs	286.2	–	8.5	(294.7)	–	–
Intangible assets	15.5	–	–	(15.5)	–	–
Deferred tax assets	2.7	(2.7)	–	–	–	–
Property, plant & equipment held for own use	134.0	–	(132.4)	(1.3)	0.3	0.1
Property (other than for own use)	892.3	(892.3)	–	–	–	–
Participations	21.9	–	391.0	(4.0)	408.9	34.4
Equities – listed	130,549.0	(130,549.0)	–	–	–	–
Government bonds	6,938.3	(6,929.8)	–	(1.2)	7.3	7.0
Corporate bonds	19,180.2	(19,180.2)	–	–	–	–
Collective Investments Undertakings	25,652.7	(23,458.4)	(501.6)	–	1,692.7	1,499.1
Derivatives	2,812.8	(2,812.8)	–	–	–	–
Assets held for index-linked and unit-linked contracts	–	142,253.5	(787.3)	–	141,466.2	123,837.1
Reinsurance recoverables on technical provisions	14.9	–	–	(17.1)	(2.2)	(0.3)
Insurance and intermediaries receivables	105.9	–	–	–	105.9	157.7
Reinsurance receivables	10.8	–	–	–	10.8	6.7
Receivables (trade, not insurance)	2,570.7	(816.7)	(1,059.6)	1.7	696.1	814.8
Cash and cash equivalents	5,663.9	(5,311.3)	(136.6)	–	216.0	152.3
Total assets	**194,875.1**	**(47,699.7)**	**(2,218.0)**	**(355.4)**	**144,602.0**	**126,508.9**

D) Valuation for solvency purposes continued

D.1 Assets continued

SJPUK

Assets	Statutory accounts value (IFRS) £'Million	Reallocations £'Million	Reassessment of participations £'Million	Accounting policy differences £'Million	Solvency II value (31/12/2024) £'Million	Solvency II value (31/12/2023) £'Million
Deferred acquisition costs	168.4	–	–	(168.4)	–	–
Property (other than for own use)	892.3	(892.3)	–	–	–	–
Participations	17.1	–	0.8	–	17.9	20.2
Equities – listed	2,902.4	(2,902.4)	–	–	–	–
Government bonds	–	–	–	–	–	–
Collective Investments Undertakings	125,495.3	(124,017.6)	–	–	1,477.7	1,253.2
Assets held for index-linked and unit-linked contracts	–	128,569.1	–	–	128,569.1	112,458.5
Loans and mortgages	–	201.3	–	–	201.3	–
Reinsurance recoverables on technical provisions	9.1	–	–	(2.3)	6.8	9.8
Insurance and intermediaries receivables	105.2	–	–	–	105.2	152.9
Reinsurance receivables	6.2	–	–	–	6.2	1.4
Receivables (trade, not insurance)	705.1	(479.8)	–	–	225.3	360.1
Cash and cash equivalents	252.5	(110.2)	–	–	142.3	99.6
Total assets	**130,553.6**	**368.1**	**0.8**	**(170.7)**	**130,751.8**	**141,355.7**

SJPI

Assets	Statutory accounts value (IFRS) £'Million	Reallocations £'Million	Reassessment of participations £'Million	Accounting policy differences £'Million	Solvency II value (31/12/2024) £'Million	Solvency II value (31/12/2023) £'Million
Deferred acquisition costs	47.5	–	–	(47.5)	–	–
Deferred tax asset	–	–	–	–	–	–
Property, plant & equipment held for own use	0.3	–	–	–	0.3	0.1
Equities – listed	162.1	(162.1)	–	–	–	–
Government bonds	9.1	(0.6)	–	(1.2)	7.3	7.0
Collective Investments Undertakings	12,627.2	(12,412.2)	–	–	215.0	245.9
Derivatives	1.6	(1.6)	–	–	–	–
Assets held for index-linked and unit-linked contracts	–	12,897.1	–	–	12,897.1	11,378.6
Reinsurance recoverables on technical provisions	–	–	–	(8.9)	(8.9)	(10.1)
Insurance and intermediaries receivables	0.6	–	–	–	0.6	4.8
Reinsurance receivables	4.6	–	–	–	4.6	5.3
Receivables (trade, not insurance)	83.6	(53.7)	–	4.8	34.7	37.3
Cash and cash equivalents	342.2	(268.6)	–	–	73.6	52.8
Total assets	**13,278.8**	**(1.7)**	**–**	**(52.8)**	**13,224.3**	**11,721.7**

D) Valuation for solvency purposes continued

D.1 Assets continued

Valuation methodology

Assets are valued in line with the accounting policies set out in the Group Report & Accounts in Note 1, with the following exceptions:

(A) Participations

Investment in related undertakings (subsidiaries and associates) are valued on an adjusted equity method based on Solvency II valuation of underlying net assets or, for related undertakings other than insurers where this is not practicable, based on IFRS with the deduction of goodwill and intangibles.

(B) Intangible assets

Deferred acquisition costs (DAC) balances and goodwill are valued at zero under the relevant SII regime and are effectively removed in the preparation of the SII balance sheet.

Intangible assets, other than goodwill, are recognised in the SII balance sheet at a value other than zero only if they can be sold separately and it can be demonstrated that there is a value for the same or similar assets that has been derived from quoted market prices in active markets.

Bespoke computer software tailored to the needs of the company and 'off the shelf' software licences that cannot be sold to another user are valued at zero.

(C) Deferred tax

Deferred taxes are recognised for SII purposes following the recognition principles in IAS 12. This means that for temporary differences the deferred taxes are based on the difference between the value of assets and liabilities on the SII balance sheet and the value of assets and liabilities for tax purposes (tax base).

Deferred taxes that arise from carry-forward of unused tax credits or tax losses are valued at the value as measured in the IFRS balance sheet and not the SII basis. Further details are included in Note 10 of the Group Report and Accounts.

(D) Ineligible assets

In certain circumstances assets may be deemed ineligible under SII, for example due to asset inadmissibility rules under the respective entity sectoral regulatory regimes, and are assessed at zero value. These items have been adjusted for under 'Accounting policy differences'.

(E) Reinsurance assets

The reinsurance asset reflects any beneficial impact of reinsurance in reducing the technical provisions. The SII valuation reflects the methods used to value the underlying technical provisions. More detail is provided in Section D.2.

There has been no change to the recognition of assets compared to the previous valuation.

Assumptions and judgements

The uncertainty of asset valuations and judgements are as set out in Note 2 of the Group Report & Accounts. More information about the financial risk of these assets including estimation and uncertainty can be found in Note 20 of the Group Report & Accounts. Identification of assets' fair value measurement by level can also be found in the same Note.

Reconciliation of statutory valuation of assets to SII valuation

The following points are the key differences between the statutory and SII valuations:

- **Consolidation of presentation of assets backing unit-linked contracts:** The IFRS basis of preparation adopted in our Group accounts requires detailed analysis on the balance sheet of assets backing unit-linked contracts between different asset types. This approach is not required for SII. The impact is simply a re-presentation of the net assets (i.e. overall impact is neutral), mainly affecting the presentation of the assets with offsetting adjustments to liabilities.
- **Reassessment of participations:** As noted in (A) above, SII requires that subsidiaries are valued using the equity method. In practice this results in a consolidation of more detailed information presented under IFRS. Once the accounting policy differences have been applied to the non-insurance subsidiary companies, there is a resultant overall negative outcome from the reassessment of participations.
- **Accounting policy differences:** As noted in (B) and (C) above, Goodwill, DAC, Deferred Tax Assets and other Intangible Assets are reassessed at zero value under SII. The associated impact on Deferred Tax is reflected in other liabilities.

  As noted in (D) above, certain assets may be treated as ineligible under SII and assessed at zero.

  As noted in (E) above, the valuation of the reinsurance asset is aligned with the SII valuation of the technical provisions.

There has been no change to the recognition and valuation bases used for assets compared to the previous valuation.

D) Valuation for solvency purposes continued

D.2 Technical provisions

Under SII, the investment contract benefits and insurance contract liabilities required by IFRS are replaced by an assessment of the technical provisions, comprising the Best Estimate Liability (BEL) and the Risk Margin. The approach to assessing the technical provisions on a SII basis, together with information about the key sensitivities, are set out below:

Group

Technical provisions	Statutory accounts value (IFRS) £'Million	Reallocations £'Million	Reassessment of Participations £'Million	Accounting Policy Differences £'Million	Solvency II value (31/12/2024) £'Million	Solvency II value (31/12/2023) £'Million
Technical provisions	141,557.4	(162.1)	(350.3)	(141,045.0)	–	–
– BEL	–	–	–	137,487.4	137,487.4	120,218.4
– Risk Margin	–	–	–	373.0	373.0	318.4
Total technical provisions	**141,557.4**	**(162.1)**	**(350.3)**	**(3,184.6)**	**137,860.4**	**120,536.8**

SJPUK

Technical provisions	Statutory accounts value (IFRS) £'Million	Reallocations £'Million	Reassessment of Participations £'Million	Accounting Policy Differences £'Million	Solvency II value (31/12/2024) £'Million	Solvency II value (31/12/2023) £'Million
Technical provisions	128,527.5	(149.4)	–	(128,378.1)	–	–
– BEL	–	–	–	124,868.8	124,868.8	109,074.2
– Risk Margin	–	–	–	299.4	299.4	254.8
Total technical provisions	**128,527.5**	**(149.4)**	**–**	**(3,209.9)**	**125,168.2**	**109,329.0**

SJPI

Technical provisions	Statutory accounts value (IFRS) £'Million	Reallocations £'Million	Reassessment of Participations £'Million	Accounting Policy Differences £'Million	Solvency II value (31/12/2024) £'Million	Solvency II value (31/12/2023) £'Million
Unit-linked technical provisions	12,842.9	(12.7)	–	(12,830.2)	–	–
– BEL	–	–	–	12,614.4	12,614.4	11,140.6
– Risk Margin	–	–	–	73.4	73.4	63.4
Life & health technical provisions	(15.6)	–	–	15.6	–	–
– BEL	–	–	–	4.2	4.2	3.6
– Risk Margin	–	–	–	0.1	0.1	0.1
Total technical provisions	**12,827.3**	**(12.7)**	**–**	**(122.5)**	**12,692.1**	**11,207.7**

D) Valuation for solvency purposes continued

D.2 Technical provisions continued

The Technical Provisions have increased over 2024, mainly due to strong investment markets.

Valuation methodology

Under SII, the technical provisions comprise a Best Estimate Liability (BEL) and a Risk Margin (RM). The valuation methodology is outlined below and is followed by commentary on the key judgements and assumptions, and on the sensitivity of the valuation to changes in these assumptions.

BEL

The BEL is determined as the discounted value of the projected monthly cashflows involved in fulfilling the liabilities under the in-force business. Broadly, these cashflows comprise:

- Benefit Outgo: Projected gross of reinsurance payments to clients on death, illness, surrender, withdrawal or maturity (including unit-related payments, net of client charges).
- Expense outgo: The expenses incurred in fulfilling the contracts, including investment advice fees and policy commission.
- Taxation payments: Allowance is included within the BEL for tax paid on behalf of clients, e.g. for client tax in the Life Fund in SJPUK, but not for shareholder tax on profits (which is included on the balance sheet as a deferred tax liability instead).
- Premium payments: Future premiums (and the additional obligations that they generate) are included in the projected cashflows only if they fall within the 'boundary' of the existing business. Future premiums have only been included within the valuation for the Group's protection business; premiums on investment business, including pensions and the International Regular Investment Plan, are assumed to cease immediately.

In October 2023, SJP announced planned changes to introduce simple, comparable charging across the Group, including its life insurance entities, SJPUK and SJPI. These charge structure changes are applicable to in-force business after the later of the exit from the early withdrawal period or the transition date in mid-2025. Since October 2023, further consideration has been given to the detail of the planned charging structure, most notably the levels at which product charge tiering will apply, resulting in updates to the associated judgements that were initially required. The projected monthly cashflows used in the year-end 2024 results reflect these changes.

Projected cashflows are determined at plan level, or at the more detailed tranche level where this is necessary to capture the policy charges correctly; there is no grouping or aggregation of the data input files. No significant simplifications have been used.

The BEL is determined gross of amounts recoverable from reinsurance contracts. The projected amounts recoverable from reinsurance (net of reinsurance premiums) are valued separately, using the same methodology and assumptions as for the BEL, and are held separately on the balance sheet as 'Reinsurance recoverables on technical provisions'. Allowance is included in the valuation of the reinsurance recoverables for the risk of default of the Group's reinsurers.

There is no minimum restriction on the amount of the BEL; policy level liabilities may be less than the current surrender value, and in some cases may be negative where future charges are expected to exceed outgo.

No allowance has been included in the BEL for any transitional adjustments set out under the relevant SII regime i.e. matching or volatility adjustments to the risk-free rate, or transitional adjustments to the overall technical provisions.

Risk margin

The Risk Margin is determined as the cost of holding the Solvency Capital Requirement (SCR) over the lifetime of the insured portfolio. This cost is determined by applying a prescribed cost of capital rate to each year's projected SCR, and then discounting these amounts at the risk-free rate.

In line with the PRA handbook, the SJPUK Risk Margin is calculated assuming a prescribed cost of capital rate of 4% and includes a tapering factor. At this time EIOPA has not changed the calculation of the Risk Margin and so the prescribed cost of capital rate for SJPI continues to be 6% without a tapering factor.

The Group Risk Margin is calculated as the sum of the entity Risk Margins without amendment.

The projected SCR figures have been determined using the 'Standard Formula' basis, consistent with the calculation of the initial SCR, but only allowing for risks that are deemed to be non-hedgeable. The Group views the market risk arising from fluctuations in the value of its linked funds as being hedgeable, and therefore no allowance has been made for market risk within the projection of the SCR.

D) Valuation for solvency purposes continued

D.2 Technical provisions continued

Judgements

The projection of the monthly cashflows used in the assessment of the technical provisions and risk margin requires management to make judgements. The key judgements are:

Future charge structure changes

SJP has announced its intention to revise client charges, with the introduction of simple, comparable charging for existing SJPUK and SJPI business, with effect from mid-2025. As noted previously, these charge structure changes are applicable to in-force business after the later of the exit from the early withdrawal period or the transition date in mid-2025. While some details of the product structures to be adopted are still to be finalised, a best estimate view of the changes is reflected at 31 December 2024.

Contract boundaries

The Group's product range includes some products where premiums are paid on a regular basis. Where the purpose of a product is predominantly savings-related and future premiums would typically increase the Own Funds available to meet the SCR, they are treated as being outside the boundary of the existing plans and are not reflected in the valuation. Where the product offers more significant insurance benefits, future premiums, and associated benefits, are assumed to be within the boundary of the existing plans.

Projection of SCR for risk margin

The calculation of the Risk Margin requires a projection of the SCR. Reflecting the relatively simple nature of the business and risks, a simplified method has been adopted in line with 'Method 1' outlined under the relevant SII regime on the valuation of technical provisions (i.e. the methodology involving the least simplifications). This uses a series of 'risk drivers' to project how each component of the initial SCR runs off over the lifetime of the portfolio. Separate drivers are used for each risk, selected in each case such that they reflect the expected movement in the underlying capital requirement, as follows:

Risk module	Risk driver	Rationale
Lapse risk	Sum at risk on surrender[1]	Mimics the impact of the 'mass lapse' scenario, which is the most onerous lapse scenario
Expense risk	Discounted future maintenance expenses	Expense risk capital relates to increased maintenance expenses
Operational risk	Annualised non-acquisition expenses	Operational risk capital is broadly equal to 25% of the annualised non-acquisition expenses

1 Adjusted to allow for the impact of reinsurance recoveries in the event of a 'mass lapse' scenario occurring.

Assumptions and uncertainty

The projection of the monthly cashflows used in the assessment of the technical provisions and risk margin requires management to make assumptions. In general, assumptions are based on historical experience, expected future experience, and various other factors that are believed to be reasonable under the circumstances. The assumptions are reviewed on an ongoing basis. The key assumptions are as follows:

Economic assumptions

The assumptions about the risk-free interest rate for all durations are prescribed by the PRA (or by the European Insurance and Occupational Pensions Authority (EIOPA) for the valuation of SJPI). Full details of the Sterling interest rate curves prescribed for use at 31 December 2024 can be found at:

- **www.bankofengland.co.uk/prudential-regulation/key-initiatives/solvency-ii/technical-information**, for the valuation of SJPUK and SJP plc, and
- **www.eiopa.europa.eu/tools-and-data/risk-free-interest-rate-term-structures_en**, for the valuation of SJPI.

These rates are used throughout our valuation.

The inflation assumption is required to be consistent with the risk-free rate and to use market data where it is available. We therefore use the implicit price inflation curve published by the Bank of England, available here: **www.bankofengland.co.uk/statistics/yield-curves**. This curve is then increased to reflect our own expectation of higher increases in earnings related expenses.

Sample spot rates for 10-year terms are set out below:

	Rate 2024	Rate 2023
Risk free rate SJPUK	4.07%	3.28%
Risk free rate SJPI	4.07%	3.28%
Inflation rate (10 yrs)	3.48%	3.43%

A 1% decrease in the risk-free curve used at all durations would increase the Group technical provisions by £81.2 million (2023: £102.4 million) as there is a higher value placed on future expenses. Group excess of SII assets over technical provisions and SCR (SII free assets) would reduce by £71.6 million (2023: £81.5 million). The sensitivities in each of the insurance entities is shown in the table below:

	Sensitivities (£'Million) 31 December 2024			Sensitivities (£'Million) 31 December 2023		
1% reduction in discount rate	SJPUK	SJPI	Group	SJPUK	SJPI	Group
Technical provisions	67.1	14.2	81.2	85.6	16.8	102.4
Solvency II free assets	(60.1)	(11.4)	(71.6)	(66.8)	(14.7)	(81.5)

D) Valuation for solvency purposes continued

D.2 Technical provisions continued

Persistency (and other decrement) assumptions

The principal decrement assumptions are for persistency experience. Mortality and morbidity assumptions do not materially impact the valuation, not least due to the high level of reinsurance.

The persistency assumptions are derived from the Group's own experience and reflect our best estimate of experience over the long-term. Where sufficient data does not exist, external industry experience may be used.

Overall persistency rates are broadly unchanged, with no material impact compared to the previous valuation.

Sample rates for key terms are set out below:

Products (Duration-based)	2024 10-year full lapse rate	2024 10-year partial lapse rate	2023 10-year full lapse rate	2023 10-year partial lapse rate
Unit-linked insurance bonds	2.85%	2.18%	3.80%	1.28%
Unit-linked offshore insurance bonds	3.75%	2.45%	3.75%	2.30%

Products (Age-based)	2024 Age 40	2024 Age 60	2024 Age 80	2023 Age 40	2023 Age 60	2023 Age 80
Unit-linked pensions – pre crystallisation[1]	3.50%	12.00%	15.00%	3.5%	12.0%	15.0%
Unit-linked pensions – post crystallisation	7.50%	4.25%	21.25%	7.5%	4.3%	21.3%

1 Rates for pensions include transfers and, where relevant, crystallisation of pension funds.

In addition to these assumptions about clients' 'occasional' behaviour, regular withdrawals are also modelled, based on the amount shown on the policy record. It is also assumed that the whole of the projected investment income is paid out where a client has elected to receive distributions from underlying funds.

A 10% increase in the lapse assumptions used would increase the Group technical provisions by £179.9 million (2023: £125.7 million). However, the Group SII free assets would decrease by £12.7 million (2023: £0.1 million increase) due to reduced capital requirements as the business runs-off more quickly. The sensitivities in each of the insurance entities is shown in the table below:

10% increase in lapses	Sensitivities (£'Million) 31 December 2024 SJPUK	SJPI	Group	Sensitivities (£'Million) 31 December 2023[1] SJPUK	SJPI	Group
Technical provisions	170.9	9.0	179.9	121.9	3.8	125.7
Solvency II free assets	(17.8)	5.1	(12.7)	(6.8)	6.9	0.1

1 Restated.

Expense assumptions

The expense assumptions include allowance for both third-party administration costs and corporate overhead costs incurred in respect of covered business. The corporate costs have been apportioned so that the total maintenance cost represents the anticipated ongoing expenses, including systems development costs, which are expected to arise in future years in meeting the policy servicing requirements of the in-force business. Sample rates per plan are set out below:

Product	Renewal expense (£ p.a.) 2024	Renewal expense (£ p.a.) 2023
Unit-linked bonds	74.53	78.93
Unit-linked pensions – pre crystallisation	68.61 – 81.74	71.22 – 85.21
Unit-linked pensions – post crystallisation	85.56	88.74
Unit-linked offshore bonds	132.02	136.66

A 10% increase in the maintenance expense assumptions used would increase the Group technical provisions by £65.7 million (2023: £65.2 million) and Group SII free assets would reduce by £45.7 million (2023: £45.6 million). The sensitivities in each of the insurance entities is shown in the table below:

10% increase in maintenance expenses	Sensitivities (£'Million) 31 December 2024 SJPUK	SJPI	Group	Sensitivities (£'Million) 31 December 2023 SJPUK	SJPI	Group
Technical provisions	55.2	10.5	65.7	54.2	11.0	65.2
Solvency II free assets	(36.2)	(9.5)	(45.7)	(36.7)	(9.0)	(45.6)

D) Valuation for solvency purposes continued

D.3 Other liabilities

Group

	Statutory accounts value (IFRS)	Reallocations	Reassessment of participations	Accounting policy differences	Solvency II value (31/12/2024)	Solvency II value (31/12/2023)
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Provisions other than technical provisions	929.8	–	(457.2)	(472.6)	–	–
Deferred tax liabilities	679.4	(2.7)	–	649.3	1,326.0	952.6
Derivatives	3,052.1	(3,052.1)	–	–	–	–
Debts owed to credit institutions	516.8	–	(516.8)	–	–	–
Insurance & intermediaries payables	303.2	909.4	–	–	1,212.6	1,559.9
Reinsurance payables	0.7	–	–	–	0.7	1.3
Payables (trade, not insurance)	1,862.5	(692.7)	(1,042.2)	–	127.6	142.2
Any other liabilities, not elsewhere shown	44,699.5	(44,699.5)	–	–	–	–
Total other liabilities	**52,044.0**	**(47,537.6)**	**(2,016.2)**	**176.7**	**2,666.9**	**2,656.0**

SJPUK

	Statutory accounts value (IFRS)	Reallocations	Reassessment of participations	Accounting policy differences	Solvency II value (31/12/2024)	Solvency II value (31/12/2023)
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Provisions other than technical provisions	213.3	–	–	(213.3)	–	–
Deferred tax liabilities	673.3	–	–	625.7	1,299.0	932.2
Derivatives	1.8	(1.8)	–	–	–	–
Insurance & intermediaries payables	172.8	909.5	–	–	1,082.3	1,350.1
Reinsurance payables	–	–	–	–	–	–
Payables (trade, not insurance)	500.8	(390.2)	–	–	110.6	132.9
Total other liabilities	**1,562.0**	**517.5**	**–**	**412.4**	**2,491.9**	**2,415.2**

SJPI

	Statutory accounts value (IFRS)	Reallocations	Reassessment of participations	Accounting policy differences	Solvency II value (31/12/2024)	Solvency II value (31/12/2023)
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Provisions other than technical provisions	119.8	–	–	(119.8)	–	–
Deferred tax liabilities	0.8	–	–	26.1	26.9	20.4
Derivatives	–	–	–	–	–	–
Insurance & intermediaries payables	72.8	57.6	–	–	130.4	209.7
Reinsurance payables	0.7	–	–	–	0.7	1.3
Payables (trade, not insurance)	58.4	(46.6)	–	–	11.8	3.9
Total other liabilities	**252.5**	**11.0**	**–**	**(93.7)**	**169.8**	**235.3**

D) Valuation for solvency purposes continued

D.3 Other liabilities continued

Valuation methodology

Other liabilities are valued in line with the accounting policies set out in Note 1 of the Group Report & Accounts, with the following exceptions:

(F) Deferred income reserve

Deferred income reserve (DIR) balances have a value of zero in the SII balance sheet.

Assumptions and judgements

The uncertainty of liability valuations and judgements are as set out in Note 2 of the Group Report & Accounts. More information about the financial risk of these liabilities including estimation and uncertainty can be found in Note 20 of the Group Report & Accounts.

Reconciliation of statutory valuation to SII valuation

The following points are the key differences between the statutory and SII valuations:

- **Consolidation of presentation of assets backing unit-linked contracts:** As in the valuation of assets, the IFRS basis requires detailed analysis of assets backing unit-linked contracts between different asset types. This approach is not required for SII and the overall impact on the net assets across both assets and liabilities is neutral.
- **Reassessment of participations:** The IFRS basis of valuation of the assets requires consolidation of subsidiaries and unit trusts where the Group has a 'controlling interest'. This is not required under SII. Once the accounting policy differences have been applied to the non-insurance subsidiary companies, there is a resultant overall negative outcome from the reassessment of participations.
- **Accounting policy differences:** As noted in (F) above, the DIR balance included in the statutory valuation is reassessed at zero value under SII. The associated impact on deferred tax is reflected in the net deferred tax movement below.
- **Deferred tax:** As noted in (C) in the valuation of assets, whilst the deferred tax policy is unchanged between the statutory valuation and SII, the impact of accounting policy differences on the valuation, not least the revaluation of the technical provisions, feeds through into a revised deferred tax assessment. In general, in moving to SII there is an increase in the level of net assets, and therefore there is an increase in the deferred tax liability.

There has been no change to the recognition and valuation bases used for Other Liabilities compared to the previous valuation.

D.4 Alternative methods of valuation

Investment properties are stated at fair value, based upon open market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

The fair values of private credit investments recognised within fixed income securities are principally determined using a combination of: the shadow rating method, which assigns a shadow credit rating to the debt issuing entity and determines an expected yield with reference to observable yields for comparable companies with public credit rating in the loan market; and the weighted average cost of capital (WACC) method, which determines the debt issuing entity's WACC with reference to observable market comparatives. The expected yield and WACC are used as the discount rates to calculate the present value of the expected future cash flows, which is taken to be the fair value.

The fair values of private equity investments are principally determined using a market approach with reference to suitable market comparatives and an income approach using discounted cash flow analysis, which assesses the fair value of each asset based upon its expected future cash flows.

The output of each method for both the private credit and private equity investments results in a range of values, from which the mid-point is selected to be the fair value in the majority of cases. The mid-point would not be selected if further information is known about an investment which cannot be factored into the valuation method used. A weighting is assigned to the values determined following each method to determine the final valuation.

Derivative financial instruments are valued using valuation techniques commonly used by market participants. These consist of discounted cash flow and option pricing models, which typically incorporate observable market data, principally interest rates, basis spreads, foreign exchange rates, equity prices and counterparty credit.

Renewal income assets held by the Group are valued using a discounted cash flow technique and historic lapse rates. No renewal income assets are held by the insurance entities (SJPUK and SJPI).

Details of the assumptions used in arriving at the valuations and their sensitivities, together with other valuation information on Level 2 and 3 Equities and Fixed Interest Securities, are set out in detail in Note 20 of the Group Report & Accounts.

D.5 Any other information

There are no differences between the valuation bases, methods and assumptions applied at the group level, and those applied at the solo level.

E) Capital management

E.1 Own funds

Our Group Capital Management policy requires that each regulated entity should hold Own Funds at least equal to the following:

Company type	Capital requirement
UK Insurance companies	SJPUK – 130% of Standard Formula SCR (and an underpin of 100% of the capital identified under the Group's Own Solvency Assessment).
EU Insurance companies	SJPI – 130% of Standard Formula SCR (and an underpin of 100% of the capital identified under the Group's Own Solvency Assessment).
Other regulated companies	A multiple of the regulated capital requirement in a range from 150% to 400%.

This capital management approach reflects the wealth management nature of our business, and our strategy of matching unit-linked liabilities. The capital requirements set out above have been assessed through our ORSA process as being sufficient to meet the management risk appetite, which is to hold a margin above the minimum regulatory requirement in all reasonably foreseeable circumstances. The simple nature of the capital requirement means it can be monitored regularly.

The composition of the Own Funds across the three entities is as follows:

	31 December 2024			31 December 2023		
	SJPUK	SJPI	Group	SJPUK	SJPI	Group
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Ordinary share capital	110.0	15.6	81.6	110.0	15.6	82.3
Share premium accounts	–	–	233.9	–	–	233.9
Surplus funds	–	–	–	–	–	–
Reconciliation reserve[1]	2,631.7	295.9	3,255.2	2,241.5	262.2	2,914.3
Net deferred tax assets	–	–	–	–	–	–
Adjustment for ineligible assets	(13.8)		(13.8)	(15.5)	–	(15.5)
Basic Own Funds	2,727.9	311.5	3,556.9	2,336.0	277.8	3,215.0
Other financial sectors (unaudited)	–	–	437.8	–	–	40.9
Total eligible Own Funds to meet Group SCR	2,727.9	311.5	3,994.7	2,336.0	277.8	3,255.9
Foreseeable dividend	350.0	50.0	65.3	260.0	–	43.9
Solvency II Own Funds[2]	3,077.9	361.5	4,060.0	2,596.0	277.8	3,299.8
Adjustment for ineligible assets	13.8	0.9	14.7	15.5	0.9	16.4
Solvency II excess of assets over liabilities	3,091.7	362.4	4,074.7	2,611.5	278.7	3,316.2

1 Represented to reflect the updated presentation of other financial sectors in IR23.

2 Before payment of final dividends, as presented in Group Report & Accounts.

The reconciliation reserve in each entity is mostly comprised of the value of future profits expected to emerge from the in-force business.

The table below reconciles the equity in the financial statements and the SII excess over liabilities:

	31 December 2024			31 December 2023		
	SJPUK	SJPI	Group	SJPUK	SJPI	Group
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Statutory accounts excess of assets over liabilities	464.1	199.0	1,273.7	373.9	163.0	983.5
Reassessment of participations	0.8	–	148.5	3.1	–	190.4
Accounting policy differences:						
– Assets	(170.7)	(52.8)	(355.4)	(182.4)	(55.6)	(387.0)
– Technical Provisions	3,209.9	122.5	3,184.6	2,715.7	71.6	2,635.1
– Other Liabilities	(412.4)	93.7	(176.7)	(298.8)	99.7	(105.8)
Solvency II excess of assets over liabilities	3,091.7	362.4	4,074.7	2,611.5	278.7	3,316.2

Further information on these differences is in sections D.1, D.2 and D.3 of this report.

The only changes in the insurance entities' Own Funds were due to Solvency II surplus generation, offset by a dividend of £260 million (2023: £315 million) settled from SJPUK to the Group and a dividend of £nil million (2023: £45 million) settled from SJPI to the Group during the year.

The Own Funds of the Group were impacted by the emergence of profit from Group companies during the year and also by the payment of dividends totalling £76.8 million (2023: £289.9 million) during the year, a share buyback programme totalling £32.9 million (2023: £nil) and the exercise of share options.

Our insurance entities hold only Tier 1 funds and so there are no restrictions on the availability or fungibility of the Own Funds to meet liabilities, and there is no reliance on related undertakings. The Group Own Funds also comprises only Tier 1.

For the non-insurance companies in the Group that are also subject to financial regulation, only surplus assets above the regulatory capital requirement will be fungible. However, as noted above, management has established an additional capital requirement which acts as a further constraint on distribution of capital from these entities. There are no other restrictions on fungibility or transferability of assets between group companies.

The whole amount of the Own Funds, which is all Tier 1, is eligible to cover the SCR and the MCR.

There are no amounts within the Own Funds that arise from transitional arrangements, and no ancillary Own Funds.

E) Capital management continued

E.2 Solvency capital requirement & minimum capital requirement

The SCRs and Minimum Capital Requirements (MCRs) for the regulated insurance undertakings (SJPUK and SJPI) have been determined using the 'standard formula' approach. No material simplified methods or undertaking specific parameters have been used in this assessment.

The Group result has been prepared using the Accounting Consolidation-based method – Method 1 – as set out under the relevant SII regime.

The assessment of equity risk has been based on the change in the net asset value arising from the prescribed stress test, with no credit taken for the transitional provisions applying to equities purchased before 1 January 2016.

The resulting capital requirements at 31 December 2024 are summarised in the following table:

	Capital requirements (£'Million)				
	SJPUK	SJPI	Other	Group diversification	Group
Market Risks					
Interest Rate Risk	31.1	1.1	–	(1.1)	31.1
Spread Risk	148.0	11.0	–	–	159.0
Equity Risk	1,133.4	122.2	–	(0.4)	1,255.2
Property Risk	–	–	–	–	–
Currency Risk	557.9	64.7	–	–	622.6
Diversification	(374.9)	(38.5)	–	0.5	(413.0)
Total Market Risk Capital	1,495.5	160.5	–	(1.0)	1,654.9
Counterparty Default Risk Capital	9.6	5.8	–	–	15.5
Life & Health Underwriting Risk					
Mortality Risk	50.3	4.5	–	–	54.8
Disability-Morbidity Risk	3.5	0.9	–	–	4.5
Lapse Risk	1,233.3	101.2	–	–	1,334.5
Expenses Risk	138.2	24.5	–	–	162.7
Catastrophe Risk	8.3	1.0	–	–	9.3
Diversification	(119.6)	(15.9)	–	(0.5)	(135.9)
Total Life & Health Underwriting Risk Capital	1,314.2	116.3	–	(0.5)	1,429.9
Diversification	(593.7)	(60.3)	–	(0.3)	(654.3)
Basic SCR	2,225.6	222.3	–	(1.8)	2,446.1
Operational Risk	37.2	4.8	–	–	41.9
Loss absorbing capacity of deferred taxes	(480.0)	(32.7)	–	0.4	(512.3)
Sectoral Requirement for Non-Insurance (unaudited)	–	–	128.4	–	128.4
Total SCR	1,782.8	194.3	128.4	(1.4)	2,104.1
Total MCR	802.3	87.5	–	–	889.7
MCR as % of SCR	45%	45%			42%

For comparison, the capital requirements at 31 December 2023 were as follows:

	Capital requirements (£'Million)				
	SJPUK	SJPI	Other	Group Diversification	Group
Market Risks					
Interest Rate Risk	14.8	–	–	–	14.8
Spread Risk	104.5	11.9	–	–	116.4
Equity Risk	865.9	97.6	–	–	963.5
Property Risk	–	–	–	–	–
Currency Risk	529.1	54.4	–	–	583.5
Diversification	(315.4)	(32.2)	–	(0.1)	(347.7)
Total Market Risk Capital	1,198.9	131.7	–	(0.1)	1,330.5
Counterparty Default Risk Capital	23.7	6.6	–	–	30.3
Life & Health Underwriting Risk					
Mortality Risk	38.1	7.4	–	–	45.5
Disability-Morbidity Risk	4.2	1.0	–	–	5.2
Lapse Risk	999.7	81.8	–	–	1,081.5
Expenses Risk	146.0	27.0	–	–	173.0
Catastrophe Risk	7.4	0.9	–	–	8.3
Diversification	(109.4)	(18.6)	–	(0.9)	(128.9)
Total Life & Health Underwriting Risk Capital	1,086.0	99.5	–	(0.9)	1,184.6
Diversification	(494.9)	(51.9)	–	(0.2)	(547.0)
Basic SCR	1,813.7	185.9	–	(1.2)	1,998.4
Operational Risk	31.4	4.0	–	–	35.4
Loss absorbing capacity of deferred taxes	(394.9)	(27.7)	–	0.3	(422.3)
Sectoral Requirement for Non-Insurance (unaudited)	–	–	116.2	–	116.2
Total SCR	1,450.2	162.2	116.2	(0.9)	1,727.7
Total MCR	652.6	73.0	–	–	725.6
MCR as % of SCR	45%	45%			42%

The Group SCR has a floor equal to the sum of the MCR of the 2 insurance entities of £889.7 million (2023: £725.6 million).

The inputs used to calculate the MCR and the floor of the MCR for the solo entities can be found in the QRTs in the appendix.

An assessment of the Loss-absorbing capacity of deferred tax (LACDT) is carried out each year, separately for SJPUK and SJPI, to ensure that it can be supported by deferred tax liabilities on the Solvency II balance sheet and, if necessary, a prudent assessment of tax balances expected to arise from future new business. The change in the LACDT over 2024 reflects the movement in the underlying SCR.

The LACDT in both SJPUK and SJPI at 31 December 2024 is fully supported by deferred tax liabilities on the Solvency II balance sheet at that date.

E) Capital management continued

E.2 Solvency capital requirement & minimum capital requirement continued

There are no material diversification effects at Group level as SJPUK dominates the consolidated result and the risk profiles of SJPUK and SJPI are similar. Neither the Group nor either of the UK/EU insurance subsidiaries is subject to any level of supervisory capital add-on.

In general, SJPUK's Market Risk Capital requirements move in line with FUM. However, in both 2023 and 2024 the results have also been impacted by the exceptional charge changes announced in Q3 2023 with further refinements in 2024. The PRA's 'symmetric adjustment' included in the Standard Formula equity stress impacts the capital requirement. This tends to be higher after sustained periods of market growth and lower after market falls, and following market gains in 2024, it had increased from (0.06)% at 31 December 2023 to 3.06% at 31 December 2024.

Similarly, SJPI's Market Risk Capital is impacted by the change in EIOPA's 'symmetric adjustment', which increased from 1.46% at 31 December 2023 to 2.86% at 31 December 2024.

The final amount of the SCR is subject to supervisory assessment.

E.3 Use of duration based equity risk sub-module in the calculation of SCR

The duration based equity risk sub module has not been used in the calculation of the SCR for either the Group or the individual subsidiaries.

E.4 Difference between standard formula and any internal model used

No internal or partial internal model has been used in the calculation of the SCR.

E.5 Non-compliance with the MCR and non-compliance with the SCR

The Group and the individual subsidiaries have maintained own funds in excess of the MCR and SCR throughout the period.

Appendix: Quantitative reporting templates

The following pages contain QRTs for the Group, SJPUK and SJPI.

Following the UK's exit from the EU and the end of the Transitional Period, the Prudential Regulation Authority (PRA) has subsequently adopted the SII requirements with only limited changes, other than to the calculation of the risk margin and the reporting template disclosures. Following these changes to reporting templates, disclosures now differ between the Group and SJPUK, which are regulated by the PRA, and SJPI, which is regulated by the Central Bank of Ireland (CBI).

All figures are presented in thousands of Pounds with the exception of ratios that are in decimal. Please note that totals may differ from the component parts due to rounding. All items disclosed are consistent with the information provided to the regulators privately.

The following Group QRTs are provided:

(a) IR.02.01.02, balance sheet information

(b) IR.05.03.02, information on premiums, claims and expenses, using the valuation and recognition principles used in the consolidated financial statements

(c) IR.23.01.04, information on Own Funds, including basic Own Funds

(d) IR.25.04.22, specifying information on the SCR, calculated using the standard formula

(e) IR.32.01.22, information on the undertakings in the scope of the Group

IR.05.02.01, information on premiums, claims and expenses by country is not required as more than 90% is written in the UK.

The following Solo QRTs are provided:

(f) IR.02.01.02 (SJPUK) / S.02.01.02 (SJPI), balance sheet information

(g) S.04.05.21, information on premiums, claims and expenses by country for SJPI only

(h) IR.05.03.02 (SJPUK) / S.05.01.02 (SJPI), information on premiums, claims and expenses, using the valuation and recognition principles used in the consolidated financial statements

(i) IR.12.01.02 (SJPUK) / S.12.01.02 (SJPI), information on the technical provisions relating to life insurance and health insurance

(j) IR.23.01.01 (SJPUK) / S.23.01.01 (SJPI), information on Own Funds, including basic Own Funds

(k) IR.25.04.21 (SJPUK) / S.25.01.21 (SJPI), information on the SCR, calculated using the standard formula

(l) IR.28.01.01 (SJPUK) / S.28.01.01 (SJPI), specifying the MCR for insurance

SJP Group – Balance sheet

IR.02.01.02

		Solvency II value
Assets		C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	303
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2,108,938
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	408,917
Equities	R0100	0
Equities – listed	R0110	0
Equities – unlisted	R0120	0
Bonds	R0130	7,288
Government Bonds	R0140	7,288
Corporate Bonds	R0150	0
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	1,692,732
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	141,466,163
Loans and mortgages	R0230	0
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	0
Reinsurance recoverables from:	R0270	(2,206)
Non-life and health similar to non-life	R0280	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0315	11,364
Life index-linked and unit-linked	R0340	(13,571)
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	105,854
Reinsurance receivables	R0370	10,752
Receivables (trade, not insurance)	R0380	696,143
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	215,976
Any other assets, not elsewhere shown	R0420	0
Total assets	R0500	**144,601,923**

		Solvency II value
Liabilities		C0010
Technical provisions – total	R0505	137,860,348
Technical provisions – non-life	R0510	0
Technical provisions – life	R0515	137,860,348
Best estimate – total	R0542	137,487,367
Best estimate – non-life	R0544	0
Best estimate – life	R0546	137,487,367
Risk margin – total	R0552	372,982
Risk margin – non-life	R0554	0
Risk margin – life	R0556	372,982
Transitional (TMTP) – life	R0565	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	1,325,899
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	1,212,642
Reinsurance payables	R0830	734
Payables (trade, not insurance)	R0840	127,580
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	0
Any other liabilities, not elsewhere shown	R0880	0
Total liabilities	R0900	**140,527,203**
Excess of assets over liabilities	R1000	**4,074,720**

SJP Group – Life income and expenditure

IR.05.03.02

		Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
Premiums written								
Gross direct business	R0010	0	14,414,579	0	0	3,808	4,932	14,423,318
Gross reinsurance accepted	R0020	0	0	0	0	0	0	0
Gross	R0030	0	14,414,579	0	0	3,808	4,932	14,423,318
Reinsurers' share	R0040	0	13,156	0	0	3,955	2,618	19,729
Net	R0050	0	14,401,423	0	0	(147)	2,314	14,403,589
Claims incurred								
Gross direct business	R0110	0	10,841,611	0	0	3,239	9,565	10,854,415
Gross reinsurance accepted	R0120	0	0	0	0	0	0	0
Gross	R0130	0	10,841,611	0	0	3,239	9,565	10,854,415
Reinsurers' share	R0140	0	15,049	0	0	2,093	5,038	22,180
Net	R0150	0	10,826,562	0	0	1,146	4,527	10,832,235
Expenses incurred								
Gross direct business	R0160	0	467,538	0	0	511	561	468,610
Gross reinsurance accepted	R0170	0	0	0	0	0	0	0
Gross	R0180	0	467,538	0	0	511	561	468,610
Reinsurers' share	R0190	0	0	0	0	0	0	0
Net	R0200	0	467,538	0	0	511	561	468,610
Other expenses	R0300							42,888
Transfers and dividends								
Dividends paid	R0440							260,000

SJP Group – Own funds

IR.23.01.04

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds						
Ordinary share capital (gross of own shares)	R0010	81,602	81,602		0	
Non-available called but not paid in ordinary share capital at group level	R0020	0	0		0	
Share premium account related to ordinary share capital	R0030	233,880	233,880		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0	0	0	0	0
Non-available subordinated mutual member accounts at group level	R0060	0	0	0	0	0
Non-available surplus funds at group level	R0080	0	0			
Surplus funds	R0080	0	0			
Preference shares	R0090	0	0	0	0	0
Non-available surplus funds at group level	R0080	0		0	0	0
Preference shares	R0090	0		0	0	0
Non-available preference shares at group level	R0100	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Non-available share premium account related to preference shares at group level	R0120	0		0	0	0
Reconciliation reserve	R0130	3,255,191	3,255,191	0	0	0
Subordinated liabilities	R0140	0		0	0	0
Non-available subordinated liabilities at group level	R0150	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0		0	0	0
The amount equal to the value of net deferred tax assets not available at the group level	R0170	0		0	0	0
Other items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Non available own funds related to other own funds items approved by supervisory authority	R0190	0	0	0	0	0
Minority interests (if not reported as part of a specific own fund item)	R0200	0	0	0	0	0
Non-available minority interests at group level	R0210	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		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	R0220	13,824				
Deductions		0	0	0	0	0
Deductions for participations where there is non-availability of information	R0250	0	0	0	0	0
Deduction for participations included by using D&A when a combination of methods is used	R0260	0	0	0	0	0
Total of non-available own fund items	R0270	0	0	0	0	0
Total deductions	R0280	0	0	0	0	0
Total basic own funds after deductions	R0290	**3,556,850**	3,556,850	0	0	0

SJP Group – Own funds continued

IR.23.01.04

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ancillary own funds						
Total ancillary own funds	R0400	0			0	0
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	R0410	426,444	426,444	0	0	0
Institutions for occupational retirement provision	R0420	0	0	0	0	0
Non regulated entities carrying out financial activities	R0430	11,376	11,376	0	0	0
Total own funds of other financial sectors	R0440	437,819	437,819	0	0	0
Own funds when using the D&A, exclusively or in combination of method 1		0	0	0	0	0
Own funds aggregated when using the D&A and combination of method	R0450	0	0	0	0	0
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	0	0	0	0	0
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	3,556,850	3,556,850	0	0	0
Total available own funds to meet the minimum consolidated group SCR	R0530	3,556,850	3,556,850	0	0	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	3,556,850	3,556,850	0	0	0
Total eligible own funds to meet the minimum consolidated group SCR	R0570	3,556,850	3,556,850	0	0	
Consolidated Group SCR	R0590	**2,104,127**				
Minimum consolidated Group SCR	R0610	**889,703**				
Ratio of Eligible own funds to the consolidated Group SCR (excluding other financial sectors and the undertakings included via D&A)	R0630	**1.80**				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	**4.00**				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	**3,994,669**	3,994,669	0	0	0
SCR for entities included with D&A method	R0670	**0**				
Group SCR	R0680	**2,104,127**				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	**1.90**				

		Total
		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	4,074,720
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	65,282
Deductions for participations in financial and credit institutions	R0725	437,819
Other basic own fund items	R0730	315,483
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	945
Other non available own funds	R0750	0
Reconciliation reserve	R0760	**3,255,191**

SJP Group – Solvency capital requirement – for groups on standard formula

IR.25.04.22

		Gross solvency capital requirement
		C0110
Market risk	R0140	1,654,915
Interest rate risk	R0070	31,098
Equity risk	R0080	1,255,195
Property risk	R0090	9
Spread risk	R0100	159,044
Concentration risk	R0110	0
Currency risk	R0120	622,567
Other market risk	R0125	0
Diversification within market risk	R0130	(412,998)
Counterparty default risk	R0180	15,488
Type 1 exposures	R0150	13,405
Type 2 exposures	R0160	2,609
Other counterparty risk	R0165	0
Diversification within counterparty default risk	R0170	(526)
Life underwriting risk	R0270	1,426,411
Mortality risk	R0190	53,996
Longevity risk	R0200	822
Disability-Morbidity risk	R0210	1,932
Life-expense risk	R0220	162,660
Revision risk	R0230	0
Lapse risk	R0240	1,332,919
Life catastrophe risk	R0250	8,205
Other life underwriting risk	R0255	0
Diversification within life underwriting risk	R0260	(134,124)
Health underwriting risk	R0320	3,498
Health SLT risk	R0280	3,048
Health non SLT risk	R0290	0
Health catastrophe risk	R0300	1,115
Other health underwriting risk	R0305	0
Diversification within health underwriting risk	R0310	(665)
Non-life underwriting risk	R0370	0
Non-life premium and reserve risk	R0330	0
Non-life catastrophe risk	R0340	0
Lapse risk	R0350	0
Other non-life underwriting risk	R0355	0
Diversification within non-life underwriting risk	R0360	0
Intangible asset risk	R0400	0

		Gross solvency capital requirement
		C0110
Operational and other risks	R0430	41,934
Operational risk	R0422	41,934
Other risks	R0424	0
Total before all diversification	R0432	3,690,558
Total before diversification between risk modules	R0434	3,142,245
Diversification between risk modules	R0436	(654,250)
Total after diversification	R0438	2,487,995
Loss-absorbing capacity of technical provisions	R0440	0
Loss-absorbing capacity of deferred taxes	R0450	(512,290)
Other adjustments	R0455	0
Solvency capital requirement including undisclosed capital add-on	R0460	1,975,704
Disclosed capital add-on – excluding residual model limitation	R0472	0
Disclosed capital add-on – residual model limitation	R0474	0
Solvency capital requirement including capital add-on	R0480	**1,975,704**
Biting interest rate scenario	R0490	Increase
Biting life lapse scenario	R0495	Mass
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	128,423
Capital requirement for other financial sectors (Non-insurance capital requirements) – Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	128,423
Capital requirement for other financial sectors (Non-insurance capital requirements) – Institutions for occupational retirement provisions	R0520	0
Capital requirement for other financial sectors (Non-insurance capital requirements) – Capital requirement for non- regulated entities carrying out financial activities	R0530	0
Capital requirement for non-controlled participation requirements	R0540	0
Capital requirement for residual undertakings	R0550	0
Overall SCR		
Solvency capital requirement (consolidation method)	R0555	2,104,127
SCR for undertakings included via D and A	R0560	0
SCR for sub-groups included via D and A	R0565	0
Solvency capital requirement	R0570	**2,104,127**

SJP Group – Undertakings in the scope of the group

IR.32.01.04

										Criteria of influence				Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory authority	% capital share	% used for the establishment of accounting consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	LEI/213800M993ICXOMBCP87	1	St. James's Place plc	5	Company limited by shares	2								1		1
GB	LEI/2138007RJEYMIRQUPU71	1	St. James's Place DFM Holdings Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/213800E4P2X6XP3EDH05	1	St. James's Place Wealth Management Group Limited	5	Company limited by shares	2		100	100	100		1	100	1		1
GB	LEI/5493000HHTSNKGSUQ052	1	St. James's Place Unit Trust Group Limited	14	Company limited by shares	2	Financial Conduct Authority	100	100	100		1	100	1		4
GB	LEI/213800ZSX8888YLFDT35	1	St. James's Place Management Services Limited	11	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/213800Z89PD9785M2507	1	St. James's Place (PCP) Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/213800SE354FHWHSU658	1	St. James's Place Wealth Management plc	8	Company limited by shares	2	Financial Conduct Authority	100	100	100		1	100	1		4
GB	LEI/213800F2JSQE4INK8U17	1	St. James's Place Partnership Services Limited	8	Company limited by shares	2	Financial Conduct Authority	100	100	100		1	100	1		4
GB	LEI/2138001NN2FJ6B5QHK30	1	St. James's Place Investment Administration Limited	8	Company limited by shares	2	Financial Conduct Authority	100	100	100		1	100	1		4
GB	LEI/2138007OM14NYJVPJP98	1	St. James's Place Nominees Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/2138003VFM6NBR3QYX84	1	St. James's Place International Distribution Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
SG	LEI/21380082WXRIU8F8HQ39	1	St. James's Place Wealth Management International Private Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
HK	LEI/213800ZCMQSD73ZNU996	1	St. James's Place (Hong Kong) Limited	8	Company limited by shares	2	Securities & Futures Commission (Hong Kong)	100	100	100		1	100	1		4
HK	LEI/2138005ZP85CZ7VP8D44	1	St. James's Place Wealth Management (Shanghai) Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
SG	LEI/213800EJRZMJNPPPPO19	1	St. James's Place (Singapore) Private Limited	8	Company limited by shares	2	Monetary Authority Singapore	100	100	100		1	100	1		4
HK	LEI/213800FFMSWE5MRAV272	1	St. James's Place International (Hong Kong) Limited	1	Company limited by shares	2	Insurance Authority Hong Kong	100	100	100		1	100	1		4
GB	LEI/213800L98SQXRLVQG933	1	St. James's Place Corporate Secretary Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/2138001Y9D3PSWSOTY57	1	M.H.S. (Holdings) Limited	99	Company limited by shares	2		100	100	100		1	100	1		3

SJP Group – Undertakings in the scope of the group continued

IR.32.01.04

										Criteria of influence				Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory authority	% capital share	% used for the establishment of accounting consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	LEI/213800I5L9L35Q55YA83	1	St. James's Place UK plc	1	Company limited by shares	2	Financial Conduct Authority & Prudential Regulation Authority	100	100	100		1	100	1		1
IE	LEI/635400ZM7HW3CXPHA583	1	St. James's Place International plc	1	Company limited by shares	2	Central Bank of Ireland	100	100	100		1	100	1		1
GB	LEI/213800RMAYTO31ALZM30	1	St. James's Place Acquisition Services Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/213800ZZGN6RLGBOC848	1	Tring Financial Management Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/213800SWJTLN4L478F37	1	Perennial Financial Management Limited	8	Company limited by shares	2	Financial Conduct Authority	100	100	100		1	100	1		4
GB	LEI/21380033PI5ZKUMI2139	1	Technical Connection Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/213800DCAW5B2YSG4I24	1	Reflect Financial Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/213800634G6XYRXBYD32	1	Rowan Dartington Holdings Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/213800W3IZHLDE8G3K71	1	Dartington Portfolio Nominees Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/213800GNWV78RLQIDZ94	1	Cabot Portfolio Nominees Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GG	LEI/213800QAGVXJ2VNTJE58	2	The SJP Employees' Share Trust	99	Trust	2			100	100		1	100	1		3
GB	LEI/213800LW4J68M4B3GR20	1	Rowan Dartington & Co. Limited	8	Company limited by shares	2	Financial Conduct Authority	100	100	100		1	100	1		4
GB	LEI/213800C3DJKZ6DQA1407	1	Linden House Financial Services Limited	8	Company limited by shares	2	Financial Conduct Authority	100	100	100		1	100	1		4
GB	LEI/213800UMGJVNZYB3OX71	1	Future Proof Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/213800Z3PWSEGEILCH67	1	SJP Partner Loans No.1 Limited	99	Company limited by shares	2			100	100		1	100	1		3
GB	LEI/9845004ED065S7CF6529	1	CGA Financial & Investment Services Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/213800TFIRI1SBFLS583	1	SJP Legacy Holdings Limited	99	Company limited by shares	2		100	100	100		1	100	1		3

SJP Group – Undertakings in the scope of the group continued

IR.32.01.04

										Criteria of influence				Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/ non mutual)	Supervisory authority	% capital share	% used for the establishment of accounting consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
GB	LEI/213800YGMX7BH9PHLR86	1	Virtue Money Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/213800EXZ26BC79XOT50	1	Policy Services Limited	8	Company limited by shares	2	Financial Conduct Authority	100	100	100		1	100	1		4
HK	LEI/213800SEAP7QARSGL223	1	Capstone Financial (HK) Limited	8	Company limited by shares	2	Securities & Futures Commission (Hong Kong)	100	100	100		1	100	1		4
GB	LEI/98450089C8C60A4D7411	1	Lewington Wealth Management Limited	99	Company limited by shares	2		75	75	100		1	100	1		3
GB	LEI/9845005Y7G67C9CC7I71	1	Edwards Wealth Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/213800K3K5L36QOS9N77	1	Fortura Financial Partner Limited	99	Company limited by shares	2		100	100	100		1	100	1		3
GB	LEI/984500VB04E74FB0F015	1	Ian Cockbain Wealth Management Limited	99	Company limited by shares	2		100	100	100	0	1	100	1	0	3
UAE	LEI/213800YAYBC9ZNB6IW44	1	St James's Place (Middle East) Limited	99	Company limited by shares	2		100	100	100	0	1	100	1	0	3

SJPUK – Balance sheet

IR.02.01.02

		Solvency II value
Assets		C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	0
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	1,495,572
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	17,839
Equities	R0100	0
Equities – listed	R0110	0
Equities – unlisted	R0120	0
Bonds	R0130	0
Government Bonds	R0140	0
Corporate Bonds	R0150	0
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	1,477,733
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	128,569,085
Loans and mortgages	R0230	201,322
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	201,322
Reinsurance recoverables from:	R0270	6,706
Non-life and health similar to non-life	R0280	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0315	11,440
Life index-linked and unit-linked	R0340	(4,734)
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	105,208
Reinsurance receivables	R0370	6,172
Receivables (trade, not insurance)	R0380	225,304
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	142,337
Any other assets, not elsewhere shown	R0420	0
Total assets	R0500	**130,751,706**

		Solvency II value
Liabilities		C0010
Technical provisions – total	R0505	125,168,223
Technical provisions – non-life	R0510	0
Technical provisions – life	R0515	125,168,223
Best estimate – total	R0542	124,868,799
Best estimate – non-life	R0544	0
Best estimate – life	R0546	124,868,799
Risk margin – total	R0552	299,423
Risk margin – non-life	R0554	0
Risk margin – life	R0556	299,423
Transitional (TMTP) – life	R0565	0
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	1,298,972
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	1,082,279
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	110,578
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	0
Any other liabilities, not elsewhere shown	R0880	0
Total liabilities	R0900	**127,660,052**
Excess of assets over liabilities	R1000	**3,091,654**

SJPUK – Life income and expenditure

IR.05.03.02

		Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
Premiums written								
Gross direct business	R0010	0	13,357,052	0	0	3,808	4,584	13,365,444
Gross reinsurance accepted	R0020	0	0	0	0	0	0	0
Gross	R0030	0	13,357,052	0	0	3,808	4,584	13,365,444
Reinsurers' share	R0040	0	4,293	0	0	3,955	2,428	10,677
Net	R0050	0	13,352,759	0	0	(147)	2,156	13,354,767
Claims incurred								
Gross direct business	R0110	0	9,958,498	0	0	3,239	9,413	9,971,150
Gross reinsurance accepted	R0120	0	0	0	0	0	0	0
Gross	R0130	0	9,958,498	0	0	3,239	9,413	9,971,150
Reinsurers' share	R0140	0	8,682	0	0	2,093	5,038	15,813
Net	R0150	0	9,949,816	0	0	1,146	4,374	9,955,337
Expenses incurred								
Gross direct business	R0160	0	399,936	0	0	511	498	400,945
Gross reinsurance accepted	R0170	0	0	0	0	0	0	0
Gross	R0180	0	399,936	0	0	511	498	400,945
Reinsurers' share	R0190	0	0	0	0	0	0	0
Net	R0200	0	399,936	0	0	511	498	400,945
Other expenses	R0300							42,888
Transfers and dividends								
Dividends paid	R0440							260,000

SJPUK – Life technical provisions

IR.12.01.02

		Insurance with profit participation	Index-linked and unit-linked insurance	Life annuities	Non-life annuities	Other life insurance	Health insurance	Total life and health
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
Best estimate								
Gross best estimate (direct business)	R0025	0	124,815,330	0	0	34,345	19,125	124,868,799
Gross best estimate (reinsurance accepted)	R0026	0	0	0	0	0	0	0
Gross best estimate	R0030	**0**	**124,815,330**	**0**	**0**	**34,345**	**19,125**	**124,868,799**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	0	-4,734	0	0	-864	12,304	6,706
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	0	124,820,064	0	0	35,209	6,820	124,862,093
Risk Margin	R0100	**0**	**297,854**	**0**	**0**	**835**	**735**	**299,423**
Amount of the transitional on Technical Provisions								
TMTP – risk margin	R0140	0	0	0	0	0	0	0
TMTP – best estimate dynamic component	R0150	0	0	0	0	0	0	0
TMTP – best estimate non-dynamic component	R0160	0	0	0	0	0	0	0
TMTP – amortisation adjustment	R0170	0	0	0	0	0	0	0
Transitional Measure on Technical Provisions	R0180	0	0	0	0	0	0	0
Technical provisions – total	R0200	**0**	**125,113,183**	**0**	**0**	**35,180**	**19,860**	**125,168,223**

SJPUK – Own funds

IR.23.01.01

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds						
Ordinary share capital (gross of own shares)	R0010	110,000	110,000		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own – fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	2,631,654	2,631,654			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	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	13,824				
Total basic own funds	R0290	**2,727,830**	**2,727,830**	**0**	**0**	**0**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	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	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees	R0340	0			0	
Letters of credit and guarantees other	R0350	0			0	
Supplementary members calls	R0360	0			0	
Supplementary members calls – other	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	**0**			**0**	**0**
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	2,727,830	2,727,830	0	0	0
Total available own funds to meet the MCR	R0510	2,727,830	2,727,830	0	0	
Total eligible own funds to meet the SCR	R0540	2,727,830	2,727,830	0	0	0
Total eligible own funds to meet the MCR	R0550	2,727,830	2,727,830	0	0	
SCR	R0580	**1,782,783**				
MCR	R0600	**802,252**				
Ratio of Eligible own funds to SCR	R0620	**1.53**				
Ratio of Eligible own funds to MCR	R0640	**3.40**				

SJPUK – Own funds continued

IR.23.01.01

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	3,091,654
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	350,000
Deductions for participations in financial and credit institutions	R0725	0
Other basic own fund items	R0730	110,000
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	**2,631,654**

SJPUK – Solvency capital requirement

IR.25.04.21

		Gross solvency capital requirement
		C0110
Market risk	R0140	1,495,451
Interest rate risk	R0070	31,098
Equity risk	R0080	1,133,365
Property risk	R0090	0
Spread risk	R0100	147,995
Concentration risk	R0110	0
Currency risk	R0120	557,917
Other market risk	R0125	0
Diversification within market risk	R0130	-374,923
Counterparty default risk	R0180	9,647
Type 1 exposures	R0150	8,932
Type 2 exposures	R0160	926
Other counterparty risk	R0165	0
Diversification within counterparty default risk	R0170	-212
Life underwriting risk	R0270	1,310,872
Mortality risk	R0190	49,519
Longevity risk	R0200	816
Disability-Morbidity risk	R0210	1,190
Life-expense risk	R0220	138,153
Revision risk	R0230	0
Lapse risk	R0240	1,231,804
Life catastrophe risk	R0250	7,209
Other life underwriting risk	R0255	0
Diversification within life underwriting risk	R0260	-117,819
Health underwriting risk	R0320	3,297
Health SLT risk	R0280	2,836
Health non SLT risk	R0290	0
Health catastrophe risk	R0300	1,115
Other health underwriting risk	R0305	0
Diversification within health underwriting risk	R0310	-654
Non-life underwriting risk	R0370	0
Non-life premium and reserve risk	R0330	0
Non-life catastrophe risk	R0340	0
Lapse risk	R0350	0
Other non-life underwriting risk	R0355	0
Diversification within non-life underwriting risk	R0360	0
Intangible asset risk	R0400	0

		Gross solvency capital requirement
		C0110
Operational and other risks	R0430	37,166
Operational risk	R0422	37,166
Other risks	R0424	0
Total before all diversification	R0432	3,350,041
Total before diversification between risk modules	R0434	2,856,432
Diversification between risk modules	R0436	-593,685
Total after diversification	R0438	2,262,747
Loss-absorbing capacity of technical provisions	R0440	0
Loss-absorbing capacity of deferred taxes	R0450	-479,965
Other adjustments	R0455	0
Solvency capital requirement including undisclosed capital add-on	R0460	1,782,783
Disclosed capital add-on – excluding residual model limitation	R0472	0
Disclosed capital add-on – residual model limitation	R0474	0
Solvency capital requirement including capital add-on	R0480	**1,782,783**
Biting interest rate scenario	R0490	Increase
Biting life lapse scenario	R0495	Mass
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	0
Capital requirement for other financial sectors (Non-insurance capital requirements) – Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	0
Capital requirement for other financial sectors (Non-insurance capital requirements) – Institutions for occupational retirement provisions	R0520	0
Capital requirement for other financial sectors (Non-insurance capital requirements) – Capital requirement for non- regulated entities carrying out financial activities	R0530	0
Capital requirement for non-controlled participation requirements	R0540	0
Capital requirement for residual undertakings	R0550	0
Overall SCR		
Solvency capital requirement (consolidation method)	R0555	1,782,783
SCR for undertakings included via D and A	R0560	0
SCR for sub-groups included via D and A	R0565	0
Solvency capital requirement	R0570	**1,782,783**

SJPUK – Minimum capital requirement – Only life or only non-life insurance or reinsurance activity

IR.28.01.01

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	878,781

		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	
Obligations with profit participation – future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	124,820,064	
Other life (re)insurance and health (re) insurance obligations	R0240	42,029	
Total capital at risk for all life (re)insurance obligations	R0250		5,939,313

Overall MCR calculation

		C0070
Linear MCR	R0300	878,781
SCR	R0310	1,782,783
MCR cap	R0320	802,252
MCR floor	R0330	445,696
Combined MCR	R0340	802,252
Absolute floor of the MCR	R0350	3,500
Minimum Capital Requirement	R0400	**802,252**

SJPI – Balance sheet

S.02.01.02

		Solvency II value
Assets		C0010
Intangible assets	R0030	0
Deferred tax assets	R0040	0
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	303
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	222,288
Property (other than for own use)	R0080	0
Holdings in related undertakings, including participations	R0090	0
Equities	R0100	0
Equities – listed	R0110	0
Equities – unlisted	R0120	0
Bonds	R0130	7,288
Government Bonds	R0140	7,288
Corporate Bonds	R0150	0
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	214,999
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	0
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	12,897,079
Loans and mortgages	R0230	0
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	0

		Solvency II value
Reinsurance recoverables from:	R0270	(8,913)
Non-life and health similar to non-life	R0280	0
Non-life excluding health	R0290	0
Health similar to non-life	R0300	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	(76)
Health similar to life	R0320	(76)
Life excluding health and index-linked and unit-linked	R0330	0
Life index-linked and unit-linked	R0340	(8,837)
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	646
Reinsurance receivables	R0370	4,579
Receivables (trade, not insurance)	R0380	34,670
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	73,630
Any other assets, not elsewhere shown	R0420	0
Total assets	R0500	**13,224,282**

SJPI – Balance sheet continued

S.02.01.02

		Solvency II value
Liabilities		C0010
Technical provisions – non-life	R0510	0
Technical provisions – non-life (excluding health)	R0520	0
TP calculated as a whole	R0530	0
Best Estimate	R0540	0
Risk margin	R0550	0
Technical provisions – health (similar to non-life)	R0560	0
TP calculated as a whole	R0570	0
Best Estimate	R0580	0
Risk margin	R0590	0
Technical provisions – life (excluding index-linked and unit-linked)	R0600	4,285
Technical provisions – health (similar to life)	R0610	4,285
TP calculated as a whole	R0620	4,298
Best Estimate	R0630	(144)
Risk margin	R0640	131
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	0
TP calculated as a whole	R0660	0
Best Estimate	R0670	0
Risk margin	R0680	0
Technical provisions – index-linked and unit-linked	R0690	12,687,841
TP calculated as a whole	R0700	12,825,951
Best Estimate	R0710	(211,538)
Risk margin	R0720	73,428
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	0
Deferred tax liabilities	R0780	26,926
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0

		Solvency II value
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	130,363
Reinsurance payables	R0830	734
Payables (trade, not insurance)	R0840	11,755
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	0
Subordinated liabilities in BOF	R0870	0
Any other liabilities, not elsewhere shown	R0880	0
Total liabilities	R0900	**12,861,903**
Excess of assets over liabilities	R1000	**362,379**

SJPI – Premiums, claims and expenses by country

S.04.05.21

		Home Country	Top 5 countries: life and health SLT[1]				
		C0030	C0040	C0040	C0040	C0040	C0040
	R0010	**Ireland (IE)**	**Great Britain (GB)**	**Singapore (SG)**			
Gross Written Premium	R0020	0	895,192	101,246	–	–	–
Gross Earned Premium	R0030	0	895,192	101,246	–	–	–
Claims incurred	R0040	0	760,505	96,376	–	–	–
Gross Expenses Incurred	R0050	0	54,725	9,608	–	–	–

1 Top 5 countries, or for sufficient countries (if fewer) to represent 90 % or more of total gross written premium. Countries individually reported in the table above exceed 90% of total gross written premium

SJPI – 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	348	0	1,057,526	0	0	0	0	0	1,057,874
Reinsurers' share	R1420	190	0	8,863	0	0	0	0	0	9,053
Net	R1500	158	0	1,048,664	0	0	0	0	0	1,048,822
Premiums earned										
Gross	R1510	348	0	1,057,526	0	0	0	0	0	1,057,874
Reinsurers' share	R1520	190	0	8,863	0	0	0	0	0	9,053
Net	R1600	158	0	1,048,664	0	0	0	0	0	1,048,822
Claims incurred										
Gross	R1610	152	0	883,113	0	0	0	0	0	883,265
Reinsurers' share	R1620	0	0	6,367	0	0	0	0	0	6,367
Net	R1700	152	0	876,746	0	0	0	0	0	876,898
Changes in other technical provisions										
Gross	R1710	0	0	0	0	0	0	0	0	0
Reinsurers' share	R1720	0	0	0	0	0	0	0	0	0
Net	R1800	0	0	0	0	0	0	0	0	0
Expenses incurred	R1900	62	0	67,602	0	0	0	0	0	67,665
Other expenses	R2500									0
Total expenses	R2600									67,665

SJPI – Life and health SLT technical provisions

S.12.01.02

			Index-linked and unit-linked insurance			Other life insurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	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)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	0	0	12,825,951			0			0	0	12,825,951	4,298			0	0	4,298
Total Recoverables from reinsurance/ SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	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	0	0		(211,538)	0		0	0	0	0	(211,538)		(144)	0	0	0	(144)
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	0	0		(8,837)	0		0	0	0	0	(8,837)		(76)	0	0	0	(76)
Best estimate minus recoverables from reinsurance/SPV and Finite Re – total	0	0		(202,701)	0		0	0	0	0	(202,701)		(68)	0	0	0	(68)
Risk Margin	0	0	73,428			0			0	0	73,428	131			0	0	131
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	0	0	0			0			0	0	0	0			0	0	0
Best estimate	0	0		0	0		0	0	0	0	0		0	0	0	0	0
Risk margin	0	0	0			0			0	0	0	0			0	0	0
Technical provisions – total	0	**0**	**12,687,841**			**0**			**0**	**0**	**12,687,841**	**4,285**			**0**	**0**	**4,285**

SJPI – 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 (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	15,585	15,585		0	
Share premium account related to ordinary share capital	R0030	0	0		0	
Initial funds, members' contributions or the equivalent basic own – fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	295,849	295,849			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	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				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	
Total basic own funds after deductions	R0290	**311,434**	**311,434**	**0**	**0**	**0**

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	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	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	311,434	311,434	0	0	0
Total available own funds to meet the MCR	R0510	311,434	311,434	0	0	
Total eligible own funds to meet the SCR	R0540	311,434	311,434		0	
Total eligible own funds to meet the MCR	R0550	311,434	311,434			
SCR	R0580	**194,335**				
MCR	R0600	**87,451**				
Ratio of Eligible own funds to SCR	R0620	**1.60**				
Ratio of Eligible own funds to MCR	R0640	**3.56**				

SJPI – Own funds continued

S.23.01.01

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	362,379
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	50,000
Other basic own fund items	R0730	15,585
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	945
Reconciliation reserve	R0760	**295,849**
Expected profits		
Expected profits included in future premiums (EPIFP) – Life business	R0770	0
Expected profits included in future premiums (EPIFP) – Non-life business	R0780	0
Total Expected profits included in future premiums (EPIFP)	R0790	0

SJPI – Solvency capital requirement – for undertakings on standard formula

S.25.01.21

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	160,471		0
Counterparty default risk	R0020	5,842		
Life underwriting risk	R0030	116,037	None	0
Health underwriting risk	R0040	220	None	0
Non-life underwriting risk	R0050	0	None	0
Diversification	R0060	(60,311)		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	**222,258**		

Calculation of solvency capital requirement

		D0100
Operational risk	R0130	4,768
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	(32,692)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	**194,335**
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	194,335
Other information on SCR		0
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0

Approach to tax rate

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

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	R0640	(32,692)
LAC DT justified by reversion of deferred tax liabilities	R0650	(26,926)
LAC DT justified by reference to probable future taxable economic profit	R0660	(5,765)
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	(32,692)

SJPI – Minimum capital requirement – Only life or only non-life insurance or reinsurance activity

S.28.01.01

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	88,828

		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	
Obligations with profit participation – future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	12,623,250	
Other life (re)insurance and health (re)insurance obligations	R0240	4,230	
Total capital at risk for all life (re)insurance obligations	R0250		538,399

Overall MCR calculation

		C0070
Linear MCR	R0300	88,828
SCR	R0310	194,335
MCR cap	R0320	87,451
MCR floor	R0330	48,584
Combined MCR	R0340	87,451
Absolute floor of the MCR	R0350	3,099
Minimum Capital Requirement	R0400	**87,451**

Glossary of terms

Best estimate liabilities (BEL)

The expected, or 'best estimate', value of the Group's obligations to clients under the Solvency II regulations.

Central Bank of Ireland (CBI)

The CBI is responsible for the prudential regulation of deposit taking institutions, insurers and major investment firms registered in Ireland, including St. James's Place International plc.

Deferred acquisition costs (DAC)

An intangible asset required to be established through the application of IFRS to our long-term business. Under the SII regulations, intangible assets such as the DAC asset are removed.

Deferred Income (DIR)

Deferred income which arises from the requirement that initial charges on long-term financial instruments should only be recognised over the lifetime of the business. Under the SII regulations, intangible liabilities such as the DIR asset are removed.

Funds under management (FUM)

Represents all assets actively managed or administered by or on behalf of the Group.

Group

The Group refers to St. James's Place plc, together with its subsidiaries as listed in Note 26 of the Group Report & Accounts.

Individual Accountability Framework (IAF)

The IAF is a regulatory framework designed to enhance accountability and governance within financial institutions. The framework was introduced in various jurisdictions, including Ireland and the UK, to ensure that individuals in senior roles are held responsible for their actions.

International Financial Reporting Standards (IFRS)

These are the accounting regulations designed to ensure comparable preparation and disclosure of statements of financial position, and are the standards that all publicly listed companies in the UK and European Union are required to use.

Investment Management Approach (IMA)

The IMA is how the Group manages clients' investments.

It is managed by the St. James's Place Investment Committee, which in turn is advised by respected independent investment research consultancies. The Investment Committee is responsible for identifying fund managers for our funds, selecting from fund management firms all around the world. They are also responsible for monitoring the performance of our fund managers and, if circumstances should change and it becomes necessary, then they are responsible for changing the fund manager as well.

Minimum Capital Requirement (MCR)

The MCR is the minimum level of security required under the Solvency II regulations for UK and EU insurance entities.

Own Risk and Solvency Assessment (ORSA)

The ORSA is a comprehensive risk assessment, bringing together an understanding of the risks that the Group faces, and how these risks may change in the future. It also includes quantitative analysis of the capital required, and how it might develop over our planning period (5 years).

Prudential Regulatory Authority (PRA)

The PRA is a part of the Bank of England and is responsible for the prudential regulation of deposit taking institutions, insurers and major investment firms. The PRA has two primary statutory objectives: to promote the safety and soundness of these firms and, specifically for insurers, to contribute to the securing of an appropriate degree of protection for insurance policyholders.

The PRA is the lead supervisor for the Group in the United Kingdom.

Quantitative Reporting Templates (QRT)

Standardised templates providing data relating to the Group's business and to the Solvency II valuation, including data relating to the assessment of technical provisions and capital requirements as well as the Solvency II Balance Sheet.

Risk Margin

The Risk Margin is determined as the cost of holding the Solvency Capital Requirement (SCR) over the lifetime of the insured portfolio.

Senior Executive Accountability Regime (SEAR)

The SEAR was introduced by the CBI and applies to certain regulated financial service providers in Ireland. The regime aims to clarify and formalise the responsibilities of senior executives by requiring firms to document individual accountability for key decision-making areas. It ensures that executives understand their regulatory obligations and can be held responsible for misconduct or governance failures.

Senior Managers and Certification Regime (SM&CR)

The SM&CR applies to all PRA and FCA regulated firms within the Group.

This regime sets out minimum standards of individual behaviour that apply in the financial services sector, as well as more specific requirements for senior managers and other employees who have key roles within the organisation.

Solvency Capital Requirement (SCR)

The SCR is the amount of risk-based capital required under the Solvency II regulations to ensure that the insurance entities can meet their obligations over the next 12 months with a probability of at least 99.5% (i.e. a 1 in 200-year scenario).

Solvency II (SII)

Insurance regulations designed to harmonise EU insurance regulation, which became effective on 1 January 2016, and were subsequently onshored in the UK following the UK's exit from the EU. The key concerns of the regulation are to ensure robust risk management in insurance companies and to use that understanding of risk to help determine the right amount of capital for UK and European insurance companies to hold to ensure their ongoing viability in all but the most severe stressed scenarios.

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