

Rothesay Life Limited

Annual PRA Insurance Returns for the year ended

31 December 2014

IPRU(INS) Appendices 9.1, 9.3, 9.4, 9.6

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Statement of solvency - long-term insurance businessName of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**

Adjusted solo solvency calculation

Company registration number	GL/UK/CM	day	month	year	Units	
R2	6127279	GL	31	12	2014	£000
			As at end of this financial year		As at end of the previous year	
			1		2	

Capital resources

Capital resources arising within the long-term insurance fund	11	86171	299540
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	884699	354588
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	970870	654128

Guarantee fund

Guarantee fund requirement	21	121546	90659
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	849323	563468

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31	364639	271977
Resilience capital requirement	32	2816	13518
Base capital resources requirement	33	2902	3146
Individual minimum capital requirement	34	367455	285495
Capital requirements of regulated related undertakings	35	109604	
Minimum capital requirement (34+35)	36	477059	285495
Excess (deficiency) of available capital resources to cover 50% of MCR	37	634085	411380
Excess (deficiency) of available capital resources to cover 75% of MCR	38	613075	440006

Enhanced capital requirement

With-profits insurance capital component	39		
Enhanced capital requirement	40	477059	285495

Capital resources requirement (CRR)

Capital resources requirement (greater of 36 and 40)	41	477059	285495
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	493811	368633

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51		
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Components of capital resources

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**

	Company registration number	GL/UK/CM	day	month	year	Units	
	R3	6127279	GL	31	12	2014	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year		
		1	2	3	4		

Core tier one capital

Permanent share capital	11		183901	183901	155121
Profit and loss account and other reserves	12		330123	330123	301963
Share premium account	13		199854	199854	112379
Positive valuation differences	14				
Fund for future appropriations	15				
Core tier one capital in related undertakings	16		172181	172181	
Core tier one capital (sum of 11 to 16)	19		886059	886059	569463

Tier one waivers

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	21				
Implicit Items	22				
Tier one waivers in related undertakings	23				
Total tier one waivers as restricted (21+22+23)	24				

Other tier one capital

Perpetual non-cumulative preference shares as restricted	25				
Perpetual non-cumulative preference shares in related undertakings	26				
Innovative tier one capital as restricted	27				
Innovative tier one capital in related undertakings	28				

Total tier one capital before deductions (19+24+25+26+27+28)	31		886059	886059	569463
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35		13445	13445	15335
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37		13445	13445	15335
Total tier one capital after deductions (31-37)	39		872614	872614	554128

Components of capital resources

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**

	Company registration number	GL/UK/CM	day	month	year	Units	
	R3	6127279	GL	31	12	2014	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year		
		1	2	3	4		

Tier two capital

Implicit items, (tier two waivers and amounts excluded from line 22)	41				
Perpetual non-cumulative preference shares excluded from line 25	42				
Innovative tier one capital excluded from line 27	43				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	44				
Perpetual cumulative preference shares	45				
Perpetual subordinated debt and securities	46		100000	100000	100000
Upper tier two capital in related undertakings	47				
Upper tier two capital (44 to 47)	49		100000	100000	100000

Fixed term preference shares	51				
Other tier two instruments	52				
Lower tier two capital in related undertakings	53				
Lower tier two capital (51+52+53)	59				

Total tier two capital before restrictions (49+59)	61		100000	100000	100000
Excess tier two capital	62				
Further excess lower tier two capital	63				
Total tier two capital after restrictions, before deductions (61-62-63)	69		100000	100000	100000

Components of capital resources

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**

	Company registration number	GL/UK/CM	day month year			Units	
	R3	6127279	GL	31	12	2014	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year		Total as at the end of the previous year	
		1	2	3		4	

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71					
Total capital resources before deductions (39+69+71)	72		972614	972614	654128	
Inadmissible assets other than intangibles and own shares	73		1745	1745		
Assets in excess of market risk and counterparty limits	74					
Deductions for related ancillary services undertakings	75					
Deductions for regulated non-insurance related undertakings	76					
Deductions of ineligible surplus capital	77					
Total capital resources after deductions (72-73-74-75-76-77)	79		970869	970869	654128	

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81		970869	970869	654127
Available capital resources for 50% MCR requirement	82		872614	872614	554127
Available capital resources for 75% MCR requirement	83		970869	970869	654127

Financial engineering adjustments

Implicit items	91				
Financial reinsurance - ceded	92				
Financial reinsurance - accepted	93				
Outstanding contingent loans	94				
Any other charges on future profits	95				
Sum of financial engineering adjustments (91+92-93+94+95)	96				

Analysis of admissible assets

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**

Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	6127279	GL	31	12	2014	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	
Land and buildings			11				

Investments in group undertakings and participating interests

UK insurance dependants	Shares	21	593563	
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25		
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares	41		
Other shares and other variable yield participations	42		
Holdings in collective investment schemes	43	125142	288674
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	
	Other	46	
Variable interest securities	Approved	47	
	Other	48	
Participation in investment pools	49		
Loans secured by mortgages	50		
Loans to public or local authorities and nationalised industries or undertakings	51		
Loans secured by policies of insurance issued by the company	52		
Other loans	53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	
	More than one month withdrawal	55	
Other financial investments	56		
Deposits with ceding undertakings	57		
Assets held to match linked liabilities	Index linked	58	
	Property linked	59	

Analysis of admissible assets

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**

Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	6127279	GL	31	12	2014	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	166214	70012
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81		
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	104	91
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	885023	358777
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Analysis of admissible assets

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**

Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	6127279	GL	31	12	2014	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	885023	358777
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101	(172181)	
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	712842	358777
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assets

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**

Category of assets **Total long term insurance business assets**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
	R13	6127279	GL	31	12	2014	£000
						As at end of this financial year	As at end of the previous year
						1	2
Land and buildings						11	

Investments in group undertakings and participating interests

UK insurance dependants	Shares	21		
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25		
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares	41			
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43	412937	121887	
Rights under derivative contracts	44	411181	370008	
Fixed interest securities	Approved	45	295553	133583
	Other	46	360569	773016
Variable interest securities	Approved	47	354392	417775
	Other	48	93706	272890
Participation in investment pools	49			
Loans secured by mortgages	50			
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52			
Other loans	53	402127	665694	
Bank and approved credit & financial institution deposits	One month or less withdrawal	54		
	More than one month withdrawal	55	15278	
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58	8239895	5360587
	Property linked	59		

Analysis of admissible assets

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**

Category of assets **Total long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	6127279	GL	31	12	2014	£000	10
					As at end of this financial year	As at end of the previous year	
					1	2	

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	303099	71457
	due in more than 12 months	79		

Other assets

Tangible assets	80	1524	
Deposits not subject to time restriction on withdrawal with approved institutions	81	86631	88983
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	88887	77154
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	6596	618

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	11072375	8353652
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Analysis of admissible assets

Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**

Category of assets **Total long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	6127279	GL	31	12	2014	£000	10
					As at end of this financial year	As at end of the previous year	
					1	2	

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	11072375	8353652
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	1745	
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100	234052	164325
Other asset adjustments (may be negative)	101	7483192	(21392)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	18791364	8496585
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Long term insurance business liabilities and margins

Name of insurer **Rothesay Life Limited**
Global business
Financial year ended **31 December 2014**
Total business/Sub fund **Long Term Fund 1**
Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus	11	9115966	6799419	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12			
Balance of surplus/(valuation deficit)	13	86171	299540	
Long term insurance business fund carried forward (11 to 13)	14	9202137	7098959	
Claims outstanding	Gross	15	5313	4899
	Reinsurers' share	16		
	Net (15-16)	17	5313	4899
Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers	23			
Creditors	Direct insurance business	31		
	Reinsurance accepted	32		
	Reinsurance ceded	33		
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions	36			
Creditors	Taxation	37		
	Other	38	1833951	1230359
Accruals and deferred income	39	30975	19435	
Provision for "reasonably foreseeable adverse variations"	41			
Total other insurance and non-insurance liabilities (17 to 41)	49	1870239	1254693	
Excess of the value of net admissible assets	51			
Total liabilities and margins	59	11072376	8353652	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	848225	663466
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62		

Total liabilities (11+12+49)	71	10986205	8054112
Increase to liabilities - DAC related	72		
Reinsurers' share of technical provisions	73	234052	164325
Other adjustments to liabilities (may be negative)	74	7469747	(36728)
Capital and reserves and fund for future appropriations	75	101360	314876
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	76	18791364	8496585

Liabilities (other than long term insurance business)Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R15	6127279	GL	31	12	2014	£000
			As at end of this financial year 1			As at end of the previous year 2

Technical provisions (gross amount)

Provisions for unearned premiums	11		
Claims outstanding	12		
Provision for unexpired risks	13		
Equalisation provisions	Credit business	14	
	Other than credit business	15	
Other technical provisions	16		
Total gross technical provisions (11 to 16)	19		

Provisions and creditors

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers		31		
Creditors	Direct insurance business	41		
	Reinsurance accepted	42		
	Reinsurance ceded	43		
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions		46		
Creditors	Taxation	47		
	Foreseeable dividend	48		
	Other	49	324	4189
Accruals and deferred income		51		
Total (19 to 51)		59	324	4189
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63	100000	100000
Total (59 to 63)		69	100324	104189

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		
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Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83		
Capital and reserves	84	612517	254588
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	85	712841	358777

Profit and loss account (non-technical account)Name of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	6127279	GL	31	12	2014	£000
				This financial year		Previous year		
				1		2		
Transfer (to)/from the general insurance business technical account	From Form 20		11					
	Equalisation provisions		12					
Transfer from the long term insurance business revenue account			13			250000	175000	
Investment income	Income		14			883	1600	
	Value re-adjustments on investments		15					
	Gains on the realisation of investments		16					
Investment charges	Investment management charges, including interest		17			4909	4999	
	Value re-adjustments on investments		18					
	Loss on the realisation of investments		19					
Allocated investment return transferred to the general insurance business technical account			20					
Other income and charges (particulars to be specified by way of supplementary note)			21			(4109)		
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)			29			241865	171601	
Tax on profit or loss on ordinary activities			31			190	257	
Profit or loss on ordinary activities after tax (29-31)			39			241675	171344	
Extraordinary profit or loss (particulars to be specified by way of supplementary note)			41					
Tax on extraordinary profit or loss			42					
Other taxes not shown under the preceding items			43					
Profit or loss for the financial year (39+41-(42+43))			49			241675	171344	
Dividends (paid or foreseeable)			51				281000	
Profit or loss retained for the financial year (49-51)			59			241675	(109656)	

Analysis of derivative contractsName of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**Category of assets **Total other than long term insurance business assets**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	6127279	GL	31	12	2014	£000	1
Derivative contracts		Value as at the end of this financial year			Notional amount as at the end of this financial year				
		Assets 1	Liabilities 2	Bought / Long 3	Sold / Short 4				
Futures and contracts for differences	Fixed-interest securities	11							
	Interest rates	12							
	Inflation	13							
	Credit index / basket	14							
	Credit single name	15							
	Equity index	16							
	Equity stock	17							
	Land	18							
	Currencies	19							
	Mortality	20							
Other	21								
In the money options	Swaptions	31							
	Equity index calls	32							
	Equity stock calls	33							
	Equity index puts	34							
	Equity stock puts	35							
Other	36								
Out of the money options	Swaptions	41							
	Equity index calls	42							
	Equity stock calls	43							
	Equity index puts	44							
	Equity stock puts	45							
Other	46								
Total (11 to 46)		51							
Adjustment for variation margin		52							
Total (51 + 52)		53							

THE NOTIONAL AMOUNTS IN COLUMNS 3 AND 4 ARE NOT A MEASURE OF EXPOSURE.
Please see instructions 11 and 12 to this Form for the meaning of these figures.

Analysis of derivative contractsName of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**Category of assets **Total long term insurance business assets**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	6127279	GL	31	12	2014	£000	10
Derivative contracts		Value as at the end of this financial year			Notional amount as at the end of this financial year				
		Assets 1	Liabilities 2	Bought / Long 3	Sold / Short 4				
Futures and contracts for differences	Fixed-interest securities	11							
	Interest rates	12	366490	337658	4587402	4831829			
	Inflation	13							
	Credit index / basket	14	1618	3514	88070	149272			
	Credit single name	15	1146	3799	2737	91460			
	Equity index	16							
	Equity stock	17							
	Land	18							
	Currencies	19	9250	18649	381689	492391			
	Mortality	20							
	Other	21	122487	122487	158209	158209			
In the money options	Swaptions	31							
	Equity index calls	32							
	Equity stock calls	33							
	Equity index puts	34							
	Equity stock puts	35							
	Other	36							
Out of the money options	Swaptions	41							
	Equity index calls	42							
	Equity stock calls	43							
	Equity index puts	44							
	Equity stock puts	45							
	Other	46							
Total (11 to 46)		51	500991	486107	5218107	5723161			
Adjustment for variation margin		52	(89810)	(18594)					
Total (51 + 52)		53	411181	467513					

THE NOTIONAL AMOUNTS IN COLUMNS 3 AND 4 ARE NOT A MEASURE OF EXPOSURE.
Please see instructions 11 and 12 to this Form for the meaning of these figures.

Long-term insurance business : Revenue accountName of insurer **Rothesay Life Limited**Total business / subfund **Long Term Fund 1**Financial year ended **31 December 2014**Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	1288004	1266851
Investment income receivable before deduction of tax	12	673829	209574
Increase (decrease) in the value of non-linked assets brought into account	13	86606	(68418)
Increase (decrease) in the value of linked assets	14	814575	(273678)
Other income	15		
Total income	19	2863014	1134329

Expenditure

Claims incurred	21	272537	234427
Expenses payable	22	51062	39976
Interest payable before the deduction of tax	23	179606	102343
Taxation	24	6631	40133
Other expenditure	25		
Transfer to (from) non technical account	26	250000	175000
Total expenditure	29	759836	591879

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	2103178	542450
Fund brought forward	49	7098959	6556509
Fund carried forward (39+49)	59	9202137	7098959

Long-term insurance business : Analysis of premiums

Name of insurer **Rothesay Life Limited**
 Total business / subfund **Long Term Fund 1**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Regular premiums	11		273567		273567	255224
Single premiums	12		1400247		1400247	1372835

Reinsurance - external

Regular premiums	13		385810		385810	361208
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17		(112243)		(112243)	(105984)
Single premiums	18		1400247		1400247	1372835

Total

Gross	19		1673814		1673814	1628059
Reinsurance	20		385810		385810	361208
Net	21		1288004		1288004	1266851

Long-term insurance business : Analysis of claims

Name of insurer **Rothesay Life Limited**
 Total business / subfund **Long Term Fund 1**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Death or disability lump sums	11		813		813	172
Disability periodic payments	12					
Surrender or partial surrender	13		18506		18506	9162
Annuity payments	14		594974		594974	551061
Lump sums on maturity	15		20500		20500	12370
Total	16		634793		634793	572764

Reinsurance - external

Death or disability lump sums	21		11		11	7
Disability periodic payments	22					
Surrender or partial surrender	23		95		95	
Annuity payments	24		362028		362028	338261
Lump sums on maturity	25		122		122	70
Total	26		362256		362256	338338

Reinsurance - intra-group

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34					
Lump sums on maturity	35					
Total	36					

Net of reinsurance

Death or disability lump sums	41		802		802	165
Disability periodic payments	42					
Surrender or partial surrender	43		18411		18411	9162
Annuity payments	44		232946		232946	212800
Lump sums on maturity	45		20378		20378	12300
Total	46		272537		272537	234427

Long-term insurance business : Analysis of expenses

Name of insurer **Rothesay Life Limited**
 Total business / subfund **Long Term Fund 1**
 Financial year ended **31 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Commission - acquisition	11				
Commission - other	12				
Management - acquisition	13		33851	33851	35977
Management - maintenance	14		8136	8136	3753
Management - other	15		9075	9075	246
Total	16		51062	51062	39976

Reinsurance - external

Commission - acquisition	21				
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24				
Management - other	25				
Total	26				

Reinsurance - intra-group

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
Total	36				

Net of reinsurance

Commission - acquisition	41				
Commission - other	42				
Management - acquisition	43		33851	33851	35977
Management - maintenance	44		8136	8136	3753
Management - other	45		9075	9075	246
Total	46		51062	51062	39976

Long-term insurance business : Summary of new business

Name of insurer **Rothesay Life Limited**

Total business

Financial year ended **31 December 2014**Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Number of new policyholders/
scheme members for direct
insurance business**

Regular premium business	11				
Single premium business	12		25284	25284	7461
Total	13		25284	25284	7461

**Amount of new regular
premiums**

Direct insurance business	21				(131)
External reinsurance	22				
Intra-group reinsurance	23				
Total	24				(131)

**Amount of new single
premiums**

Direct insurance business	25		1396526	1396526	1371949
External reinsurance	26				
Intra-group reinsurance	27				
Total	28		1396526	1396526	1371949

Long-term insurance business : Analysis of new business

Name of insurer

Rothesay Life Limited

Total business

Financial year ended

31 December 2014

Units

£000

UK Pension / Direct Insurance Business

Product code number 1	Product description 2	Regular premium business		Single premium business	
		Number of policyholders / scheme members 3	Amount of premiums 4	Number of policyholders / scheme members 5	Amount of premiums 6
390	Deferred annuity non-profit				2973
401	Annuity non-profit (bulk transfer)				16852
906	Index linked annuity (bulk transfer)			12967	764826
907	Index linked deferred annuity			12317	611875

Long-term insurance business : Assets not held to match linked liabilities

Name of insurer **Rothesay Life Limited**
 Category of assets **10 Total long term insurance business assets**
 Financial year ended **31 December 2014**
 Units **£000**

Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
1	2	3	4	5

Assets backing non-profit liabilities and non-profit capital requirements

Land and buildings	11					
Approved fixed interest securities	12	313232	313232	9772	3.01%	
Other fixed interest securities	13	407798	448122	21712	3.42%	
Variable interest securities	14	452391	452391	5398	2.97%	
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18	1659059	1618736	47175	3.39%	
Total	19	2832480	2832481	84057	3.17%	

Assets backing with-profits liabilities and with-profits capital requirements

Land and buildings	21					
Approved fixed interest securities	22					
Other fixed interest securities	23					
Variable interest securities	24					
UK listed equity shares	25					
Non-UK listed equity shares	26					
Unlisted equity shares	27					
Other assets	28					
Total	29					

Overall return on with-profits assets

Post investment costs but pre-tax	31					
Return allocated to non taxable 'asset shares'	32					
Return allocated to taxable 'asset shares'	33					

Long-term insurance business : Fixed and variable interest assets

Name of insurer **Rothesay Life Limited**
 Category of assets **10 Total long term insurance business assets**
 Financial year ended **31 December 2014**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	11	207765	8.83	2.11%	2.11%
Other approved fixed interest securities	21	105467	16.31	3.40%	2.90%
Other fixed interest securities					
AAA/Aaa	31	74967	10.73	2.71%	2.60%
AA/Aa	32	94046	17.17	3.11%	2.82%
A/A	33	98877	14.10	4.01%	3.46%
BBB/Baa	34	5766	1.11	2.82%	2.30%
BB/Ba	35				
B/B	36				
CCC/Caa	37				
Other (including unrated)	38	174465	9.13	3.28%	3.10%
Total other fixed interest securities	39	448121	13.15	3.42%	3.06%
Approved variable interest securities	41	356787	33.59	2.82%	2.82%
Other variable interest securities	51	95603	14.74	3.94%	3.17%
Total (11+21+39+41+51)	61	1213743	17.35	3.17%	2.98%

Long-term insurance business : Summary of mathematical reserves

Name of insurer **Rothesay Life Limited**Total business / subfund **Long Term Fund 1**Financial year ended **31 December 2014**Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Form 51 - with-profits	11				
Form 51 - non-profit	12		739415	739415	1348425
Form 52	13				
Form 53 - linked	14		3703	3703	1737
Form 53 - non-linked	15				
Form 54 - linked	16		8460395	8460395	5508825
Form 54 - non-linked	17		150208	150208	106495
Total	18		9353721	9353721	6965482

Reinsurance - external

Form 51 - with-profits	21				
Form 51 - non-profit	22		13553	13553	16088
Form 52	23				
Form 53 - linked	24		3703	3703	1737
Form 53 - non-linked	25				
Form 54 - linked	26		220500	220500	148238
Form 54 - non-linked	27				
Total	28		237756	237756	166063

Reinsurance - intra-group

Form 51 - with-profits	31				
Form 51 - non-profit	32				
Form 52	33				
Form 53 - linked	34				
Form 53 - non-linked	35				
Form 54 - linked	36				
Form 54 - non-linked	37				
Total	38				

Net of reinsurance

Form 51 - with-profits	41				
Form 51 - non-profit	42		725862	725862	1332337
Form 52	43				
Form 53 - linked	44				
Form 53 - non-linked	45				
Form 54 - linked	46		8239895	8239895	5360587
Form 54 - non-linked	47		150208	150208	106495
Total	48		9115965	9115965	6799419

Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profits contracts)

Name of insurer **Rothesay Life Limited**
 Total business / subfund **Long Term Fund 1**
 Financial year ended **31 December 2014**
 Units **£000**
 UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
390	Deferred annuity non-profit	4350	9655					469362
400	Annuity non-profit (CPA)	25178	38521	21634				257154
440	Additional reserves non-profit OB - expense provision							11836
440	Additional reserves non-profit OB - miscellaneous							1063

Long-term insurance business : Valuation summary of index linked contracts

Name of insurer **Rothesay Life Limited**
 Total business / subfund **Long Term Fund 1**
 Financial year ended **31 December 2014**
 Units **£000**
 UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
905	Index linked annuity(CPA)	74407	605390	251933	3793401	3793401		3793401
907	Index linked deferred annuity	31443	68472		4666994	4666994		4666994
915	Additional reserves index linked - expense provision						137827	137827
915	Additional reserves index linked - miscellaneous						12381	12381

Long-term insurance business : Index linked business

Name of insurer **Rothesay Life Limited**
 Total business
 Financial year ended **31 December 2014**
 Units **£000**

Value of assets	Mean Term
1	2

Analysis of assets

Approved variable interest securities	11	2626402	33.59
Other variable interest securities	12	623555	14.74
Approved fixed interest securities	13	847230	12.61
Other fixed interest securities	14	2926451	13.15
Cash and deposits	15	203401	
Equity index derivatives	16		
Inflation swaps	17	(56438)	
Other assets	18	1739117	
Variation margin	19	(669823)	
Total (11 to 19)	20	8239895	

Credit rating of other fixed interest and other variable interest securities

AAA/Aaa	31	444006	10.73
AA/Aa	32	594082	17.17
A/A	33	1016427	14.21
BBB/Baa	34	264571	14.57
BB/Ba	35		
B/B	36		
CCC/Caa	37		
Other (including unrated)	38	1230920	9.27
Total other fixed interest and other variable interest securities	39	3550006	13.44

Long-term insurance business : Distribution of surplus

Name of insurer **Rothesay Life Limited**
 Total business / subfund **Long Term Fund 1**
 Financial year ended **31 December 2014**
 Units **£000**

Financial year	Previous year
1	2

Valuation result

Fund carried forward	11	9202137	7098959
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13	250000	175000
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	9452137	7273959
Mathematical reserves	21	9115966	6799419
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	336171	474540

Composition of surplus

Balance brought forward	31	299540	458262
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	36631	16278
Total	39	336171	474540

Distribution of surplus

Bonus paid in anticipation of a surplus	41		
Cash bonuses	42		
Reversionary bonuses	43		
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46		
Net transfer out of fund / part of fund	47	250000	175000
Total distributed surplus (46+47)	48	250000	175000
Surplus carried forward	49	86171	299540
Total (48+49)	59	336171	474540

Percentage of distributed surplus allocated to policyholders

Current year	61		
Current year - 1	62		
Current year - 2	63		
Current year - 3	64		

Long-term insurance capital requirementName of insurer **Rothesay Life Limited**

Global business

Financial year ended **31 December 2014**Units **£000**

LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year
1	2	3	4	5	6

Insurance death risk capital component

Life protection reinsurance	11	0.0%					
Classes I (other), II and IX	12	0.1%					
Classes I (other), II and IX	13	0.15%					
Classes I (other), II and IX	14	0.3%					
Classes III, VII and VIII	15	0.3%					
Total	16						

Insurance health risk and life protection reinsurance capital component

Class IV supplementary classes 1 and 2 and life protection reinsurance	21						
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Insurance expense risk capital component

Life protection and permanent health reinsurance	31	0%					
Classes I (other), II and IX	32	1%	739415	725862	0.98	7259	13323
Classes III, VII and VIII (investment risk)	33	1%	8610603	8390104	0.97	83901	54671
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%					
Classes III, VII and VIII (other)	35	25%					
Class IV (other)	36	1%					
Class V	37	1%					
Class VI	38	1%					
Total	39					91160	67994

Insurance market risk capital component

Life protection and permanent health reinsurance	41	0%					
Classes I (other), II and IX	42	3%	739415	725862	0.98	21776	39970
Classes III, VII and VIII (investment risk)	43	3%	8610603	8390104	0.97	251703	164013
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%					
Classes III, VII and VIII (other)	45	0%					
Class IV (other)	46	3%					
Class V	47	0%					
Class VI	48	3%					
Total	49		9350018	9115966		273479	203983

Long term insurance capital requirement	51					364639	271977
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Form 2

0201 Waivers under Section 148, financial Service and Markets Act 2000.

The PRA, on the application of the firm, made a direction under section 138 of the Financial Services and Markets Act 2000 in September 2013. The effect of the direction is to modify the provisions of INSPRU 3.1.35R and IPRU(INS) Appendix 9.3 so that a more appropriate rate of interest is used for assets taken in combination.

The PRA, on the application of the firm, made a direction under section 138 of the Financial Services and Markets Act 2000 in July 2013. The effect of the direction is to modify the provisions of INSPRU 3.2.5R(3) allowing the company to treat a derivative contract with a pension scheme as an admissible asset.

Form 3

0301 Reconciliation of net admissible assets to total capital resources.

	2014 £'000
Line 89 Form 13 (OLTF)	885,023
Line 89 Form 13 (LTF)	11,072,375
Line 11 Form 14	(9,115,966)
Line 49 Form 14	(1,870,239)
Line 69 Form 15	(100,324)
Net admissible assets	<u>870,869</u>
Line 63 Form 15	100,000
Line 79 Form 3	<u>970,869</u>

0302 Perpetual subordinated debt

On 21 December 2012 Rothesay Life Limited issued floating rate perpetual callable securities to a third party. The securities are unsecured. These securities are callable at par on 21st December 2017 and every six months thereafter. The principal constitutes regulatory capital. The repayment of these securities is subject to PRA consent.

0310 Valuation differences.

Included in Line 35 on form 3 is a closure reserve which is not required to be held for statutory purposes.

	2014 £'000
Closure reserve	(13,445)
Form 3 Line 35	<u>(13,445)</u>

0313 Reconciliation of profit and loss account and other reserves.

	2014 £'000	2013 £'000
Profit & loss account and reserves b/fwd	301,963	439,784
Profit & loss account and reserves c/fwd (Line 12 Form 3)	330,123	301,963
Movement	<u>28,160</u>	<u>(137,821)</u>
Movement in additional reserves held for PRA	1,891	(123)
Inadmissible asset	(1,745)	
Regulatory impact of contingent loan	-	(131,260)
Movement in deferred tax	-	827
Total Profit and Loss for the year	<u>28,306</u>	<u>(268,377)</u>
Surplus retained in Long Term Fund Line 59 Form 16	<u>213,369</u>	<u>158,721</u>
	<u>241,675</u>	<u>(109,656)</u>

Form 13

Note 1305 and 1318 below applies to other than long term insurance business assets.

1305 Insurer's maximum counterparty limit.

The maximum counterparty limit for any one counterparty is limited to the counterparty limits as noted in the Prudential Sourcebook for Insurers. No counterparty exposure at the year end exceeded these limits.

1318 Other asset adjustments.

	2014 £'000
<i>Total other than long term business assets</i>	
Regulatory valuation of insurance dependent	(172,181)
Line 101 Form 13	<u>(172,181)</u>

Notes 1311 to 1319 below apply to the long term business fund.

1312 No counterparty exposure on the assets other than collective investment schemes at the year end exceeded 5% of the business amount.

1313 Exposures secured by collateral or charges, or mitigated by a credit derivative.

	2014 £'000
Exposures mitigated by a credit derivative	3,454,519
	<u>3,454,519</u>

1318 Other asset adjustments.

	2014 £'000
<i>Total long term business assets</i>	
Adjustment for variation margin on non-linked derivative liabilities (Form 17)	18,594
Adjustment for variation margin on non-linked derivative assets (Form 17)	89,810
Regulatory adjustments	7,374,788
Line 101 Form 13	<u>7,483,192</u>

1319 Insurer's maximum counterparty limit.

The maximum counterparty limit for any one counterparty is limited to the counterparty limits as noted in the Prudential Sourcebook for Insurers. No counterparty exposure at the year end exceeded these limits.

1321 Variation Margin

The amount included in line 78 includes variation margin.

Form 14

1401 Provision for reasonably foreseeable adverse variations.

The long term fund held a number of interest rate, credit default, total return, currency and inflation-linked swaps during the year. These swaps involved the exchange of cash flows and not of the underlying principal amount. No provision for adverse change is required, as all derivatives that impose an obligation on the fund are covered.

1402 Liabilities.

- (a) Increases in the value of assets do not incur tax. Consequently, no provision, potential or otherwise, has been made for any liability to tax which may arise if the company disposed of its assets at the values stated in this return.
- (b) There were no contingent liabilities in Rothesay Life Limited during the year or at the year end.
- (c) During 2014 the company executed transactions to purchase partly funded bonds. The company expects to pay a further £197m within the next five years, none of the payments being due within 12 months of the balance sheet date. There were no guarantees, indemnities or other contractual commitments other than in the ordinary course of business, and in respect of related companies.
- (d) The company has future aggregate minimum lease payments due under non-cancellable operating leases as follows:

	2014 £'000
Not later than one year	420
Later than one year and no later than five years	3,358
Later than five years	3,779
Total Minimum Lease Payments	<u>7,557</u>

1405 Other liability adjustments

	2014 £'000
Adjustment for variation margin on non-linked derivative liabilities (Form 17)	18,594
Adjustment for variation margin on non-linked derivative assets (Form 17)	89,810
Adjustment for closure reserve	(13,445)
Regulatory adjustments	7,374,788
Line 74 Form 14	<u>7,469,747</u>

Form 15

1501 Provision for reasonably foreseeable adverse variations.

The other than long term fund did not hold any derivatives during the year. Therefore, no provision for adverse change is required.

1502 Liabilities.

- (a) There were no charges attributable to other than long term business assets.
- (b) There is no potential capital gains tax liability in the other than long term business fund.
- (c) There were no contingent liabilities during the year or at the year end.
- (d) There were no guarantees, indemnities or other contractual commitments other than in the ordinary course of business, and in respect of related companies.

Form 16

1601 Revenue account items are translated at rates ruling on the transaction date.

1603 Charges included in line 21 of Form 16 have been incurred in relation to the acquisition of Rothesay Assurance Limited during the year.

Form 171

1701 Treatment of the variation margin.

- (a) There is no excess variation margin which has been received.
- (b) The variation margin on assets of £89,810k has been allocated to line 44 on Form 13. The variation margin on liabilities of £18,594k has been allocated to line 38 on Form 14.

Form 40

4008 Management services.

During the year Management services were provided to the Company for day to day administration by Rothesay Pensions Management Limited, Rothesay Holdco UK Limited and Goldman Sachs International.

4009 Material connected-party transactions

The company has executed a number of transactions with connected parties including Goldman Sachs International, Goldman Sachs & Co and Goldman Sachs Asset Management Limited. The company received investment income (£33.8m) and incurred net decreases in the value of investments (£563.6m), interest payable (£7m) and Service charges (£3.9m) as a result of these transactions.

Form 47

4702 Approximations to apportion business among product codes.

Amount of premiums:

Amount of premiums has been split between pensioners and deferred members. The amount of premium allocated to these sub-groups is apportioned as a percentage of gross mathematical reserves applicable to these sub-groups.

Form 48

4807 Allocation of assets to column 2 of Form 48.

The fund holds fixed and variable interest securities, with values given in column 1 rows 13 and 14, that are all individually covered by derivatives of value £40.2 million in row 18. The combined assets, for which risk adjusted yields are determined in accordance with INSPRU 3.1.30R(1), provide variable interest and therefore have economic exposures equivalent to non-approved variable interest securities.

Form 49

4901 Credit ratings

Management use external ratings (lowest of Standard & Poor's, Moody's and Fitch ratings). Credit default swaps and total return swaps have been purchased to mitigate the credit exposure on some of the company's corporate bonds, collateralised with cash, Government and Corporate bonds.

Form 50

5012 For the year ending 31 December 2014, a revised methodology has been utilised for categorising the liabilities between non-linked contracts shown on form 51 and index linked contracts shown on form 54.. The revised methodology for categorisation makes the determination at a scheme policy level.

Form 51

5104 Apportioning products between codes.

Code 440 – Additional reserves – expense provision:

This reserve was apportioned as a percentage of the non-linked reserves which make up the total gross mathematical reserve.

Form 53

5303 Use of miscellaneous product code.

Code 795 – Miscellaneous property linked:

The code was used to reflect property linked rider benefits affiliated to a policy.

Form 54

5404 Apportioning products between codes.

Code 915 – Additional reserves – expense provision:

This reserve was apportioned as a percentage of the linked reserves which make up the total gross mathematical reserve.

Form 55

5500 Form 55 is omitted because we do not have internal linked funds.

Form 56

5601 Credit Ratings

Management use external ratings (lowest of Standard & Poor's, Moody's and Fitch ratings.) Credit default swaps and total return swaps have been purchased to mitigate the credit exposure on some of the company's corporate bonds, collateralised with cash.

5602 Variation margins.

Derivative positions are reflected net of variation margins in the return. However, on a statutory basis, the derivatives are reflected on a gross basis with the collateral shown separately.

Form 57

5702 Waiver

The PRA, on the application of the firm, made a direction under section 138 of the Financial Services and Market Act 2000 in September 2013. The effect of the direction is to modify the provisions of INSPRU 3.1.35R and IPRU(INS) Appendix 9.3 so that a more appropriate rate of interest is used for assets taken in combination.

ADDITIONAL INFORMATION ON DERIVATIVE CONTRACTS

Statement required by Rule 9.29 of the Prudential Sourcebook for Insurers

(a) Investment guidelines

As requested by Rule 9.29 of the Interim Prudential Sourcebook for Insurers (IPRU(INS)), the investment guidelines for the use of derivative contracts for both long term and other than long term funds are set out below.

- (i) Derivatives are used for the purpose of efficient portfolio management or for the reduction of investment risk, specific examples being to hedge credit risk on corporate bonds, convert foreign currency receipts into sterling or manage duration and inflation risks.
- (ii) A number of restrictions on the use of derivatives have been set:
 - All derivatives that impose obligations on the fund must be strictly covered.
 - All derivative contracts must satisfy the definition of approved under INSPRU 3.2.5R.
 - All derivative positions such as interest and inflation rate swaps, total return and credit default swaps must be collateralised no less frequently than weekly.
- (iii) During the year the company has used interest rate, inflation-linked, credit default, total return, asset and currency swaps in the long term business fund.

(b) Derivatives where exercise is unlikely

No provision was made in the investment guidelines to prohibit such contracts.

(c) Effect on Form 13 at 31 December 2014 of exercising derivatives where it would be prudent to assume options would be exercised

No material difference would be made to the figures in Form 13.

(d) Effect on Form 13 at 31 December 2014 of exercising all derivatives

The situation would not have been materially different.

ADDITIONAL INFORMATION ON DERIVATIVE CONTRACTS

Statement required by Rule 9.29 of the Prudential Sourcebook for Insurers

(e) Effect on Form 13 under the conditions noted in (c) and (d) above at any other time during the year.

The situation would not have been materially different at any time during the financial year.

(f) Maximum Exposure

All derivative contracts are collateralised on a daily basis under industry standard (ISDA) documentation. There is therefore normally no material exposure to counterparties in respect of derivative contracts.

The maximum loss which could be incurred would be in the event of a large market movement at a time of failure of a counterparty requiring replacement of the derivative at an unfavourable time. In addition maximum loss could also be impacted by ongoing margin disputes.

The situation would not have been significantly different at any other time in the financial year.

(g) Derivatives not covered by the definition of an admissible derivative contract in the Prudential Sourcebook.

During July 2013, the company was granted a waiver to INSPRU 3.2.5R(3). This allowed the company to treat a derivative contract with a pension scheme as an admissible asset. The purpose of the derivative contract is to provide a hedge for a specific pension scheme against market risk. The company has hedged this risk with a derivative contract with an approved counterparty.

(h) Consideration for granting rights under derivative contracts

The insurer received no fixed consideration in the financial year for granting rights under derivative contracts.

ROTHESAY LIFE LIMITED

For the period ended 31 December 2014

ADDITIONAL INFORMATION ON CONTROLLERS

Statement required by Rule 9.30 of the Prudential Sourcebook for Insurers

The following is a statement of:

- a) Each person who at any time during the period ended 31 December 2014, was a controller of Rothesay Life Limited (“RLL”);

Rothesay Life Holdco Limited
Rothesay Life (Cayman) Limited
Blackstone Tactical Opportunities Fund
Cambourne Life Investment Pte Ltd

- b) In the case of each person so named, a statement of -
- i) the percentage of shares held in RLL, or another company of which RLL was a subsidiary undertaking as at 31st December 2014; and
- ii) the percentage of voting power which he was entitled to exercise, or control the exercise of, at any general meeting of RLL, or another company which it is a subsidiary undertaking at 31st December 2014,

in each case, either alone or with any associate or associates.

ROTHESAY LIFE LIMITED

For the period ended 31 December 2014

ADDITIONAL INFORMATION ON CONTROLLERS

<u>Controller</u>	<u>Percentage of Shares</u>	<u>Percentage of Voting Power</u>
Rothestay Life Holdco Limited <i>Ultimate Parent</i>	100%	100%
Rothestay Life (Cayman) Limited <i>Shareholder of the ultimate parent</i>	36%	38%
Blackstone Tactical Opportunities Fund <i>Shareholder of the ultimate parent</i>	28.5%	30%
Cambourne Life Investment Pte Ltd <i>Shareholder of the ultimate parent</i>	28.5%	25%

ROTHESAY LIFE LIMITED

For the period ended 31 December 2014

Appendix 9.4 report

Abstract of valuation report pursuant to the Interim Prudential Sourcebook: Insurers (IPRU(INS)) rules 9.4 and 9.31 and Appendix 9.4

Valuation Report as at 31 December 2014

1. Introduction

- (1) The date to which the actuarial investigation relates (“the valuation date”) is 31 December 2014.
- (2) The date to which the previous actuarial investigation related was 31 December 2013.
- (3) There have been no interim valuations (for the purpose of rule 9.4) carried out since the previous valuation date.

2. Product Range

During the twelve month period ended 31 December 2014, the company has continued to write new pension scheme buy-in and buy-out contracts. These contracts are single premium occupational pension scheme buy-in and buy-out arrangements with the trustees of U.K. corporate defined benefit occupational pension schemes. These contracts are similar to other buy-in and buy-out contracts previously written by the company. The company does not transact with-profits business.

3. Discretionary charges and benefits

- (1) - (10) Not applicable.

4. Valuation Basis

- (1) The mathematical reserves for the immediate and deferred annuities have been determined, using a gross premium method, as the present value of benefits and expected future expenses of administering the contracts in force and investment expenses using prudent assumptions. For index linked benefits (shown in Form 54), an explicit allowance is made for future changes in the Retail Price Index (“RPI”), Consumer Price Index (“CPI”) or Average Weekly Earnings (“AWE”), as appropriate, to allow for increases in benefits consistent with terms and conditions of the annuities.

For the longevity swaps, where the contracts are regular premium rather than single premium, the reserves are calculated as the present value of future claims and expenses less the present value of future premiums (a future stream of agreed guaranteed payments) to be received from the pension schemes.

The calculations are performed on an individual policy basis.

ROTHESAY LIFE LIMITED

For the period ended 31 December 2014

Appendix 9.4 report

Additional expense reserves are held for short term maintenance expense overrun, to provide for expected project costs, and for the contingency of closure to new business as set out in 4(6) below.

All business is pensions business and has been valued gross of tax.

- (2) The interest rates used in the calculation of the mathematical reserves are shown in the table below.

The PRA, on the application of the firm, made a direction under section 138 of the Financial Services and Markets Act 2000 in September 2013. The effect of the direction is to modify the provisions of INSPRU 3.1.35R and IPRU(INS) Appendix 9.3 so that a more appropriate rate of interest is used for assets taken in combination.

Non-linked

Product Group	31 December 2014	31 December 2013	Product Code
Deferred annuity non profit	2.93%pa	4.02%pa	390
Annuity non profit (CPA)	2.93%pa	4.02%pa	400

Index-linked

Product Group	31 December 2014	31 December 2013	Product Code
Index linked annuity (CPA)	2.93%pa	4.02%pa	905
Index linked deferred annuity	2.93%pa	4.02%pa	907

The company held no equity shares or property at the valuation date. In accordance with the terms of the waiver, the valuation interest rate is based on the internal rate of return on the basket of assets matching the mathematical reserves.

The asset yield used to calculate the valuation discount rate has been reduced to reflect counterparty default risk; where applicable adjusted for the prudent expected recoveries in the event of default. This reduction in yield is determined separately for each individual asset reflecting the risk to the return being achieved on the asset. The average yield deduction at 31 December 2014 was 16bps compared to 16bps at December 2013.

ROTHESAY LIFE LIMITED
For the period ended 31 December 2014

Appendix 9.4 report

The table below shows the average yield deduction at 31st December 2014 and 31st December 2013 by asset category:

Asset class	Average yield reduction	
	31 December 2014	31 December 2013
UK Government approved securities	0bps	0bps
Corporate bonds after allowance for covering credit default swap	0bps	0bps
Secured lending	6bps	8bps
Supranational/Other sovereign/Sub-sovereign	16bps	16bps
Secured residential lending	29bps	30bps
Infrastructure	80bps	79bps
Other	36bps	30bps
Overall	16bps	16bps

Overall, the deduction for counterparty default risk on the assets held by Rothesay Life are generally lower than the corresponding credit default deduction on a typical unsecured credit portfolio. This is due to the either the expectation of higher recovery in the event of default through collateralisation, recourse to specific assets or credit default swap protection or through a low probability of default due to government guarantees.

- (3) Mortality bases have been determined separately for each pension scheme. The result is equivalent to using the base mortality and improvement assumptions set out in the table below:

	31 December 2014		Product Code
	Males	Females	
Base Mortality	103.7% S1PMA	103.7% S1PFA	All
Future mortality improvements	CMI_2012_M[2.7%]	CMI_2012_F[2.2%]	All

For the previous valuation, the equivalents were as follows

	31 December 2014		Product Code
	Males	Females	
Base Mortality	95.7% S1PMA	95.7% S1PFA	All
Future mortality improvements	CMI_2012_M[2.25%]	CMI_2012_F[1.85%]	All

Ultimate mortality has been used in all cases and mortality improvements are applied from 2002.

ROTHESAY LIFE LIMITED

For the period ended 31 December 2014

Appendix 9.4 report

Prudent margins are then applied to the demographic basis to reflect the fact that future experience for the schemes may differ from that assumed. Since the previous valuation the shape of the prudent margins applied has been revised to be more reflective of reinsurance pricing levels.

For all annuitant mortality bases covered by this paragraph, complete expectations of life on the valuation mortality basis have been calculated in years for males (weighted by the valuation of annuity benefits for each pension scheme), and are:

	Annuities in payment		Deferred annuities: life expectation at age 65	
	Age 65	Age 75	Age 45	Age 55
31 December 2014	24.0	14.3	28.4	26.2
31 December 2013	24.4	14.8	27.2	25.8

For all annuitant mortality bases covered by this paragraph, complete expectations of life on the valuation mortality basis have been calculated in years for females (weighted by the valuation of annuity benefits for each pension scheme), and are:

	Annuities in payment		Deferred annuities: life expectation at age 65	
	Age 65	Age 75	Age 45	Age 55
31 December 2014	26.0	16.0	29.7	27.9
31 December 2013	26.2	16.5	28.5	27.4

The complete expectations of life for males and females have decreased at 31 December 2014 compared to those at 31 December 2013 due to the inclusion of the new business written during the year which has slightly heavier expected base mortality than the average as at 31 December 2013. There is an offsetting increase to life expectancies due to the impact of moving along the improvements curve. In addition the improvements by age have changed due to revisions to the prudent margin basis as described above.

No further allowance is made, and no reserve is held, for any possible detrimental impact of significant changes in the incidence of disease or developments in medical science on the mortality experience of the company in the tables of mortality used in the valuation.

- (4) Not applicable.

ROTHESAY LIFE LIMITED

For the period ended 31 December 2014

Appendix 9.4 report

- (5) Maintenance expenses have been assumed to be as follows:

Product Group	Per annuity (£ p.a.)		% of Assets under Management (p.a.)		Product Code
	2014	2013	2014	2013	
Immediate annuities	15.82	19.92	0.031	0.031	400
Index linked annuities	15.82	19.92	0.031	0.031	905

The per annuity expenses are in respect of the overhead maintenance expenses. They have fallen during the year to reflect a larger number of policies since the previous valuation. There are additional allowances to provide for the Third Party Administrator (“TPA”) charges including a prudent margin (which vary by occupational pension scheme).

No tax relief on expenses has been assumed in the valuation as all contracts are pensions business.

- (6) At 31 December 2014, it has been assumed that the future rate of maintenance expense inflation is 0.25% per annum above the future rates of RPI implied by the RPI swap curve for the overhead (i.e. non TPA) expenses and 1.00% per annum above the future rates of RPI implied by the RPI swap curve for TPA expenses.
- (7) Not applicable.
- (8) No future lapses have been allowed for in the valuation.
- (9) Where deferred annuity contract policyholders have passed the scheme normal retirement date and have been subject to in depth tracing exercises and yet remain untraced, a prudent allowance has been made for the probability of them retiring in the future. All other deferred annuity contract policyholders who have passed the scheme normal retirement date are assumed to retire immediately.
- (10) Various derivative contracts are held by the company. These include inflation swaps, interest rate swaps, credit default swaps, exchange rate swaps and total return swaps. Each of the credit default and exchange rate swaps have been treated as covering specific bonds maturing at the same time as the swap with capital redemption amounts equal to the nominal of the swap. The cash flows involved in these arrangements (bonds plus swaps) were combined with the cashflows from the interest rate swaps to determine the internal rate of return before any additional allowance for credit risk in determining the valuation rate of interest. All liabilities linked to RPI, CPI or AWE are covered by inflation linked swaps of appropriate durations. The approach to valuing the liabilities has been to project the cashflows allowing for the level of the RPI at each future date implied by swap prices. To be consistent with this, the yield on the assets has been determined allowing for this same level of the RPI at each future date.

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Appendix 9.4 report

The yields shown in Form 48 column 4 were determined in accordance with the requirements of INSPRU 3.1.33R.

- (11) There were no changes in valuation methodology at 31st December 2014 arising from changes in INSPRU valuation rules effective from 31 December 2006.

5. Options and Guarantees

- (1) No guaranteed annuity rate options have been granted.
- (2) No guaranteed surrender values or maturity values have been granted within the policy contracts. However, by reason of pensions legislation, transfer values that have been quoted to members are required to be honoured for at least a specified time interval. Where applicable allowance has been made for the cost of such short term options within the transfer values.
- (3) No guaranteed insurability options have been granted.
- (4) No additional allowance has been made for early or late retirements. At retirement, members are assumed to take part of their benefits immediately in the form of cash by commuting 50% of the maximum tax-free lump sum to which they are entitled. Subject to 4(10) deferred annuitants are assumed to retire at their normal retirement date. The adjustments to benefits made on early or late retirements, commutation terms for benefits on vesting and determination of transfer values are (subject to 5(2) above) not made on guaranteed terms and are assumed to be cost neutral.

6. Expense Reserves

- (1) The aggregate amount of expense loadings, grossed up for taxation where appropriate, expected to arise during the twelve months after the valuation date from implicit and explicit reserves made at the valuation date to meet expenses in fulfilling contracts in force at the valuation date is £10.6million.

	Explicit allowances (investment management)	Explicit allowances (per annuity expenses)	Release of short term expense overrun reserve	Total (£million)
All immediate and deferred annuities	£2.9m	£5.0m	£2.8m	£10.6m

- (2) There is an implicit expense allowance for investment expenses. This has been allowed for by a reduction in the valuation rate of interest of 3.1 basis points.

ROTHESAY LIFE LIMITED

For the period ended 31 December 2014

Appendix 9.4 report

- (3) The actual maintenance expenses incurred during 2014 as shown at line 14 of Form 43 are lower than the projected 2015 expected expense loadings in 6(1) due to the additional costs of new business written in 2014, some provisions reserved for in 2015 that did not arise in 2014 and valuation margins which are included in the expected expense loadings in 6(1).
- (4) A prudent estimate of acquisition expenses for the twelve months following the valuation date has been made based on budgeted expenses for that year. An estimate of the margins available in new business premiums has also been made, based on prudent estimates of projected new business volumes at levels lower than planned and initial mathematical reserves compared with premiums. The projected new business acquisition expenses allow for the cost of quoting on all business. No new business expense overrun arises since the expected acquisition expense loadings generated by the prudent new business volumes exceed the projected new business acquisition expenses.
- (5) A short term maintenance expense overrun reserve of £3.4million has been established to provide for expected project costs. This ensures that the total allowance for expenses is sufficient to provide for the expenses likely to be incurred in the future in fulfilling the contracts in-force at the valuation date. This has been derived with reference to the expected annual maintenance costs including the effect of assumed inflation and a margin for prudence required to administer the contracts in force at the valuation date.

An additional reserve of £13.4million is required to satisfy the requirements of INSPRU 1.2.50R in respect of the additional costs of closure to new business if the company were to cease to transact business twelve months after the valuation date. The projected discontinuance costs allow for the costs of terminating management agreements, the costs of administering the closed book and oversight management costs.

- (6) Not applicable as all expenses are attributable.

7. Mismatching Reserves

- (1) The mathematical reserves and corresponding matching assets are denominated in sterling. There are some US Dollar and Euro denominated assets which, in conjunction with specific currency derivative contracts, produce returns in sterling.
- (2) Not applicable.
- (3) Not applicable.

ROTHESAY LIFE LIMITED

For the period ended 31 December 2014

Appendix 9.4 report

- (4) The market risk scenarios applied to the long term insurance assets invested in the U.K. for the purpose of calculating the resilience capital requirement in INSPRU 3.1.10R are those set out in INSPRU 3.1.16R. The most onerous scenario under INSPRU 3.1.16R was that which assumed an increase in the yields on all fixed interest securities by a percentage point amount equal to 20% of the long term gilt yield at the valuation date (i.e. 0.44%). The company held no equity shares or property at the valuation date. The increase in the yield has been taken to apply to all interest related assets at all durations.
- (5) Not applicable.
- (6) In respect of the most onerous scenario described in 7(4) above:
 - a. The resilience capital requirement is £2.8million.
 - b. The change in the aggregate amount of the long-term insurance liabilities is an increase of £706.1million.
 - c. The aggregate amount by which the assets allocated to match such liabilities have changed in value from the amount of those assets shown in Form 13 is a £703.3million increase.
- (7) No further reserve was required arising from the test on assets in INSPRU 1.1.34R as the calculation of the valuation rate of interest ensures that all requirements are fully met.

8. Other Special Reserves

Additional reserves of £52.7million are held at the valuation date, of which the two most significant contributors are if legislation changes to force the equalisation of guaranteed minimum pensions, the company would incur the cost of paying increased benefits on certain pension schemes and a data risk provision.

9. Reinsurance

- (1) No reinsurance has been ceded on a facultative basis to a reinsurer not authorised to carry on insurance business in the United Kingdom at any time during the report period.
- (2)
 - (d) **Pacific Life Re Limited.**
 - (e) The treaty is a quota share longevity swap arrangement providing mortality cover in respect of the business reassured.
 - (f) The premiums payable by the company under the treaty during the report period were £144.4million.
 - (g) There is no deposit back arrangement.
 - (h) The treaty is closed to new business.

ROTHESAY LIFE LIMITED

For the period ended 31 December 2014

Appendix 9.4 report

- (i) There is no undischarged obligation of Rothesay Life Limited.
- (j) The amount of mathematical reserves ceded under the treaty as at 31 December 2014 was £76.4million.
- (k) The treaty is closed to new business.
- (l) The reinsurer is authorised to carry on insurance business in the United Kingdom.
- (m) The company and the reinsurer are not connected companies.
- (n) There are no material contingencies, such as credit or legal risk, to which the treaty is subject.
- (o) No commission is payable.
- (d) **Royal Bank of Canada Insurance Company Limited.**
- (e) The treaty is a quota share longevity swap arrangement providing mortality cover in respect of the business reassured.
- (f) The premiums payable by the company under the treaty during the report period were £61.0million.
- (g) There is no deposit back arrangement.
- (h) The treaty is closed to new business.
- (i) There is no undischarged obligation of Rothesay Life Limited.
- (j) The amount of mathematical reserves ceded under the treaty as at 31 December 2014 was £37.4million.
- (k) The treaty is closed to new business.
- (l) The reinsurer is not authorised to carry on insurance business in the United Kingdom.
- (m) The company and the reinsurer are not connected companies.
- (n) There are no material contingencies, such as credit or legal risk, to which the treaty is subject.
- (o) No commission is payable.

ROTHESAY LIFE LIMITED

For the period ended 31 December 2014

Appendix 9.4 report

- (d) **RG Global Reinsurance Company, Ltd.**
- (e) The treaty is a quota share longevity swap arrangement providing mortality cover in respect of the business reassured.
- (f) The premiums payable by the company under the treaty during the report period were £68.9million.
- (g) There is no deposit back arrangement.
- (h) The treaty is closed to new business.
- (i) There is no undischarged obligation of Rothesay Life Limited.
- (j) The amount of mathematical reserves ceded under the treaty as at 31 December 2014 was £48.4million.
- (k) The treaty is closed to new business.
- (l) The reinsurer is not authorised to carry on insurance business in the United Kingdom.
- (m) The company and the reinsurer are not connected companies.
- (n) There are no material contingencies, such as credit or legal risk, to which the treaty is subject.
- (o) No commission is payable.
- (d) **Prudential Financial Inc.**
- (e) The treaty is a quota share longevity swap arrangement providing mortality cover in respect of the business reassured.
- (g) There is no deposit back arrangement.
- (h) The treaty is closed to new business.
- (i) There is no undischarged obligation of Rothesay Life Limited.
- (j) The amount of mathematical reserves ceded under the treaty as at 31 December 2014 was £43.1million.
- (k) The treaty is closed to new business.
- (l) The reinsurer is not authorised to carry on insurance business in the United Kingdom.
- (m) The company and the reinsurer are not connected companies.
- (n) There are no material contingencies, such as credit or legal risk, to which the treaty is subject.
- (o) No commission is payable.

ROTHESAY LIFE LIMITED

For the period ended 31 December 2014

Appendix 9.4 report

- (d) **Hannover Ruckversicherung AG**
- (e) The treaty is a quota share longevity swap arrangement providing mortality cover in respect of the business reassured.
- (f) The premiums payable by the company under the treaty during the report period were £49.0million.
- (g) There is no deposit back arrangement.
- (h) The treaty is closed to new business.
- (i) There is no undischarged obligation of Rothesay Life Limited.
- (j) The amount of mathematical reserves ceded under the treaty as at 31 December 2014 was £28.7million.
- (k) The treaty is closed to new business.
- (l) The reinsurer is not authorised to carry on insurance business in the United Kingdom.
- (m) The company and the reinsurer are not connected companies.
- (n) There are no material contingencies, such as credit or legal risk, to which the treaty is subject.
- (o) No commission is payable.

There are no financing arrangements.

10. Reversionary (or annual) bonus

Not applicable.

ROTHESAY LIFE LIMITED

For the year ended 31 December 2014

DIRECTORS' CERTIFICATE

Directors' Certificate required by Rule 9.34 (1) of the Prudential Sourcebook for Insurers in accordance with Appendix 9.6

We certify that:

- a) the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU; and
- b) the directors are satisfied that:
 - i) throughout the financial year the insurer has complied in all material respects with the requirements in SYSC as well as the provisions of IPRU(INS), GENPRU and INSPRU;
 - ii) from the beginning of the financial year in question until 18 June 2014, the insurer has complied in all material respects with the requirements of PRIN; from 19 June 2014 until the end of the financial year in question, the insurer has complied in all material respects with the Fundamental Rules; and
 - iii) it is reasonable to believe that the insurer has continued so to comply subsequently with the requirements of SYSC, the Fundamental Rules and the provisions of IPRU(INS), GENPRU and INSPRU and will continue so to comply in future;
- c) in our opinion premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer that are available for the purpose, to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;
- d) the mathematical reserves as shown in Form 14 constitute proper provision at the end of the financial year in question for the long-term insurance liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an actuarial investigation as at that date into the financial condition of the long-term insurance business;
- e) in preparing the return, the directors have taken and paid due regard to advice from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R.

ROTHESAY LIFE LIMITED
For the year ended 31 December 2014

DIRECTORS' CERTIFICATE

Directors' Certificate required by Rule 9.34 (1) of the Prudential Sourcebook for Insurers in accordance with Appendix 9.6



Keith Satchell,
Chairman



Addy Loudiadis,
Chief Executive



Ray King,
Director

Level 25, The Leadenhall Building
122 Leadenhall Street
London
EC3V 4AB

25 March 2015

Auditors' report: Regulatory Return for a life insurance company

ROTHESAY LIFE LIMITED

Global business

Financial year ended 31 December 2014

Independent auditors' report to the directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers

We have audited the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Part I and Part IV of Chapter 9 to IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Prudential Sourcebook for Insurers ('the Rules') made by the Prudential Regulation Authority under section 137G of the Financial Services and Markets Act 2000:

- Forms 2, 3, 13 to 17, 40 to 43, 48, 49, 56, 58 and 60, (including the supplementary notes) on pages 1, 2 5, 11, 12, 13, 14, 16, 17, 18, 19, 22, 23, 31, 33, 34, 35, 36, 37, 38, 39, 40 and 41 ('the Forms');
- the statement required by IPRU(INS) rule 9.29 on pages 43 to 44 ('the statement'); and
- the valuation report required by IPRU(INS) rule 9.31(a) on pages 47 to 57('the valuation report).

We are not required to audit and do not express an opinion on:

- Forms 46, 47, 50, 51, 53, 54 and 57 (including the supplementary notes) on pages 20, 21, 24, 25, 27, 29, 32, 40, 41 and 42;
- the statements required by IPRU(INS) rule 9.30 on pages 45 to 46; and
- the certificate required by IPRU(INS) rule 9.34(1) on pages 58 to 59.

Respective responsibilities of the insurer and its auditors

The insurer is responsible for the preparation of an annual return (including the Forms, the statement and the valuation report under the provisions of the Rules. The requirements of the Rules have been modified by the directions issued under section 138A of the Financial Services and Markets Act 2000 on September 2013 and July 2013. Under IPRU(INS) rule 9.11 the Forms, the statement and the valuation report are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules. The methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report are required to reflect appropriately the requirements of INSPRU 1.2.

It is our responsibility to form an independent opinion as to whether the Forms, the statement and the valuation report meet these requirements, and to report our opinion to you. We also report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the Forms, the statement and the valuation report are not in agreement with the accounting records and returns; or
- we have not received all the information we require for our audit.

This report has been prepared for the directors of the insurer to comply with their obligations under IPRU(INS) rule 9.35 and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose save where expressly agreed by our prior consent in writing.

Basis of opinion

We conducted our work in accordance with Practice Note 20 'The audit of insurers in the United Kingdom (Revised)' issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms, the statement and the valuation report. The evidence included that previously obtained by us relating to the audit of the financial statements of the insurer for the financial year. It also included an assessment of the significant estimates and judgements made by the insurer in the preparation of the Forms, the statement and the valuation report.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms, the statement and the valuation report are free from material misstatement, whether caused by fraud or other irregularity or error and comply with IPRU(INS) rule 9.11.

In accordance with IPRU(INS) rule 9.35(1A), to the extent that any document, Form, statement, analysis or report to be examined under IPRU(INS) rule 9.35(1) contains amounts or information abstracted from the actuarial investigation performed pursuant to IPRU(INS) rule 9.4, we have obtained and paid due regard to advice from a suitably qualified actuary who is independent of the insurer.

Opinion

In our opinion:

(i) the Forms, the statement and the valuation report fairly state the information provided on the basis required by the Rules as modified and have been properly prepared in accordance with the provisions of those Rules; and

(ii) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report appropriately reflect the requirements of INSPRU 1.2.


PricewaterhouseCoopers LLP
Chartered Accountants

25 March 2015