

# **The Royal London Mutual Insurance Society Limited**

**Annual PRA Insurance Returns for the year ended**

**31 December 2015**

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

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**Statement of solvency - long-term insurance business**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**

Adjusted solo solvency calculation

Adjusted solo solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	Units	
	R2	99064	GL	31	12	2015	£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	<b>11</b>	14282329	13366385
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	<b>12</b>		
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	<b>13</b>	14282329	13366385

**Guarantee fund**

Guarantee fund requirement	<b>21</b>	429237	441633
Excess (deficiency) of available capital resources to cover guarantee fund requirement	<b>22</b>	13248711	12719664

**Minimum capital requirement (MCR)**

Long-term insurance capital requirement	<b>31</b>	1188952	1231230
Resilience capital requirement	<b>32</b>		
Base capital resources requirement	<b>33</b>	1993	2176
Individual minimum capital requirement	<b>34</b>	1188952	1231230
Capital requirements of regulated related undertakings	<b>35</b>	32921	31223
Minimum capital requirement (34+35)	<b>36</b>	1221874	1262453
Excess (deficiency) of available capital resources to cover 50% of MCR	<b>37</b>	13136458	12256882
Excess (deficiency) of available capital resources to cover 75% of MCR	<b>38</b>	12830990	12186697

**Enhanced capital requirement**

With-profits insurance capital component	<b>39</b>	9525619	8713933
Enhanced capital requirement	<b>40</b>	10747493	9976386

**Capital resources requirement (CRR)**

Capital resources requirement (greater of 36 and 40)	<b>41</b>	10747493	9976386
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	<b>42</b>	3534836	3389999

**Contingent liabilities**

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

Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**

	Company registration number	GL/ UK/ CM	day	month	year	Units
<b>R3</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2015</b>	<b>£000</b>
		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	
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	

**Core tier one capital**

Permanent share capital	<b>11</b>				
Profit and loss account and other reserves	<b>12</b>				
Share premium account	<b>13</b>				
Positive valuation differences	<b>14</b>		11339305	11339305	10760404
Fund for future appropriations	<b>15</b>		3359513	3359513	3183049
Core tier one capital in related undertakings	<b>16</b>		(16091)	(16091)	(24616)
Core tier one capital (sum of 11 to 16)	<b>19</b>		14682727	14682727	13918837

**Tier one waivers**

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

**Other tier one capital**

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

<b>Total tier one capital before deductions (19+24+25+26+27+28)</b>	<b>31</b>		14682727	14682727	13918837
Investments in own shares	<b>32</b>				
Intangible assets	<b>33</b>		776721	776721	892963
Amounts deducted from technical provisions for discounting	<b>34</b>				
Other negative valuation differences	<b>35</b>				
Deductions in related undertakings	<b>36</b>		158611	158611	137766
Deductions from tier one (32 to 36)	<b>37</b>		935332	935332	1030729
<b>Total tier one capital after deductions (31-37)</b>	<b>39</b>		13747395	13747395	12888108

## Components of capital resources

Name of insurer

The Royal London Mutual Insurance Society Limited

Global business

Financial year ended

31 December 2015

	Company registration number	GL/ UK/ CM	day	month	year	Units
R3	99064	GL	31	12	2015	£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				245428
Upper tier two capital in related undertakings	47				
<b>Upper tier two capital (44 to 47)</b>	<b>49</b>				245428

Fixed term preference shares	51				
Other tier two instruments	52		743275	743275	394995
Lower tier two capital in related undertakings	53				
<b>Lower tier two capital (51+52+53)</b>	<b>59</b>		743275	743275	394995

<b>Total tier two capital before restrictions (49+59)</b>	<b>61</b>		743275	743275	640423
Excess tier two capital	62				
Further excess lower tier two capital	63				
<b>Total tier two capital after restrictions, before deductions (61-62-63)</b>	<b>69</b>		743275	743275	640423

**Components of capital resources**

Name of insurer

**The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended

**31 December 2015**

	Company registration number	GL/ UK/ CM	day	month	year	Units
<b>R3</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2015</b>	<b>£000</b>
		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	
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	

**Total capital resources**

Positive adjustments for regulated non-insurance related undertakings	<b>71</b>				
<b>Total capital resources before deductions (39+69+71)</b>	<b>72</b>		14490670	14490670	13528532
Inadmissible assets other than intangibles and own shares	<b>73</b>		189277	189277	152904
Assets in excess of market risk and counterparty limits	<b>74</b>				
Deductions for related ancillary services undertakings	<b>75</b>		19064	19064	9243
Deductions for regulated non-insurance related undertakings	<b>76</b>				
Deductions of ineligible surplus capital	<b>77</b>				
<b>Total capital resources after deductions (72-73-74-75-76-77)</b>	<b>79</b>		14282329	14282329	13366385

**Available capital resources for GENPRU/INSRU tests**

Available capital resources for guarantee fund requirement	<b>81</b>		13677948	13677948	13161297
Available capital resources for 50% MCR requirement	<b>82</b>		13747395	13747395	12888108
Available capital resources for 75% MCR requirement	<b>83</b>		13747395	13747395	13133537

**Financial engineering adjustments**

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

**Calculation of general insurance capital requirement - premiums amount and brought forward amount**

 Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

 Financial year ended **31 December 2015**

Long term insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R11	99064	GL	31	12	2015	£000
				This financial year 1			Previous year 2	
Gross premiums written				11	77973			80396
Premiums taxes and levies (included in line 11)				12				
Premiums written net of taxes and levies (11-12)				13	77973			80396
Premiums for classes 11, 12 or 13 (included in line 13)				14				
Premiums for "actuarial health insurance" (included in line 13)				15	4343			5427
Sub-total A (13 + 1/2 14 - 2/3 15)				16	75078			76778
Gross premiums earned				21	77973			80396
Premium taxes and levies (included in line 21)				22				
Premiums earned net of taxes and levies (21-22)				23	77973			80396
Premiums for classes 11, 12 or 13 (included in line 23)				24				
Premiums for "actuarial health insurance" (included in line 23)				25	4343			5427
Sub-total H (23 + 1/2 24 - 2/3 25)				26	75078			76778
Sub-total I (higher of sub-total A and sub-total H)				30	75078			76778
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure				31				
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18			32	13514			13820
	Excess (if any) over 61.3M EURO x 0.02			33	621			574
Sub-total J (32-33)				34	12893			13246
Claims paid in period of 3 financial years				41	159519			155228
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis			42				
	For insurance business accounted for on an accident year basis			43	53317			55680
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis			44				
	For insurance business accounted for on an accident year basis			45	67831			74440
Sub-total C (41+42+43-44-45)				46	145006			136469
Amounts recoverable from reinsurers in respect of claims included in Sub-total C				47	105185			97151
Sub-total D (46-47)				48	39821			39318
Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.50 or, if less, 1.00)				49	0.50			0.50
Premiums amount (Sub-total J x reinsurance ratio)				50	6447			6623
Provision for claims outstanding (before discounting and net of reinsurance)				51	12634			12763
Provision for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero				52				
Brought forward amount (See instruction 4)				53	6556			5995
Greater of lines 50 and 53				54	6556			6623

**Calculation of general insurance capital requirement - claims amount and result**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**

Long term insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	99064	GL	31	12	2015	£000
					This financial year 1		Previous year 2	
Reference period (No. of months) See INSPRU 1.1.63R			11	36		36		
Claims paid in reference period			21	159519		155228		
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis		22					
	For insurance business accounted for on an accident year basis		23	53317		55680		
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis		24					
	For insurance business accounted for on an accident year basis		25	67831		74440		
Claims incurred in reference period (21+22+23-24-25)			26	145006		136469		
Claims incurred for classes 11, 12 or 13 (included in 26)			27					
Claims incurred for "actuarial health insurance" (included in 26)			28	47226		49140		
Sub-total E (26 +1/2 27 - 2/3 28)			29	113521		103708		
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)			31	37840		34569		
Division of sub-total F (gross adjusted claims amount)	x 0.26		32	9839		8988		
	Excess (if any) over 42.9M EURO x 0.03		33	211		28		
Sub-total G (32-33)			39	9628		8960		
Claims amount Sub-total G x reinsurance ratio (11.49)			41	4814		4480		
Higher of premiums amount and brought forward amount (11.54)			42	6556		6623		
General insurance capital requirement (higher of lines 41 and 42)			43	6556		6623		

**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Total long term insurance business assets**

Company registration number		GL/UK/CM	day	month	year	Units	Category of assets
R13	99064	GL	31	12	2015	£000	10
					As at end of this financial year		As at end of the previous year
					1		2
Land and buildings			11	2882157			2884661

**Investments in group undertakings and participating interests**

UK insurance dependants	Shares	<b>21</b>	10693	11279
	Debts and loans	<b>22</b>		
Other insurance dependants	Shares	<b>23</b>		
	Debts and loans	<b>24</b>		
Non-insurance dependants	Shares	<b>25</b>	151827	154841
	Debts and loans	<b>26</b>	2697	
Other group undertakings	Shares	<b>27</b>	81952	40114
	Debts and loans	<b>28</b>	5474	5266
Participating interests	Shares	<b>29</b>		
	Debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		<b>41</b>	6768980	6965021
Other shares and other variable yield participations		<b>42</b>	555339	820462
Holdings in collective investment schemes		<b>43</b>	2755020	1948627
Rights under derivative contracts		<b>44</b>	2536571	3120521
Fixed interest securities	Approved	<b>45</b>	11264490	11534563
	Other	<b>46</b>	5570465	5849570
Variable interest securities	Approved	<b>47</b>	227502	356081
	Other	<b>48</b>	2897111	2925272
Participation in investment pools		<b>49</b>	272551	242844
Loans secured by mortgages		<b>50</b>	394	459
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>		29
Loans secured by policies of insurance issued by the company		<b>52</b>	4993	8719
Other loans		<b>53</b>		
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	931005	872680
	More than one month withdrawal	<b>55</b>	528659	494385
Other financial investments		<b>56</b>		
Deposits with ceding undertakings		<b>57</b>		
Assets held to match linked liabilities	Index linked	<b>58</b>		
	Property linked	<b>59</b>	24605984	22568790

**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Total long term insurance business assets**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£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	33602	16804
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	22888	22253
Dependants	due in 12 months or less	76	5872	174400
	due in more than 12 months	77		
Other	due in 12 months or less	78	392205	275447
	due in more than 12 months	79		

**Other assets**

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	571187	898701
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
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	63079615	62191789
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**Analysis of admissible assets**

Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**

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

Company registration number		GL/ UK/ CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£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)	<b>91</b>	63079615	62191789
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>	619369	609048
Capital resources requirement deduction of regulated related undertakings	<b>94</b>	32921	31223
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>	26448	14938
Book value of related ancillary services undertakings	<b>97</b>	19064	9243
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>	151091	159616
Deferred acquisition costs excluded from line 89	<b>99</b>	343793	424645
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	5302231	5461781
Other asset adjustments (may be negative)	<b>101</b>	2182579	1883609
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)	<b>102</b>	71757112	70785892
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal London IB & OB Subfund**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets	
	R13	99064	GL	31	12	2015	£000	21
					As at end of this financial year		As at end of the previous year	
					1		2	
Land and buildings				11		723526		652068

**Investments in group undertakings and participating interests**

UK insurance dependants	Shares	<b>21</b>	10693	11279
	Debts and loans	<b>22</b>		
Other insurance dependants	Shares	<b>23</b>		
	Debts and loans	<b>24</b>		
Non-insurance dependants	Shares	<b>25</b>	88936	89446
	Debts and loans	<b>26</b>	2697	
Other group undertakings	Shares	<b>27</b>	43989	4934
	Debts and loans	<b>28</b>		
Participating interests	Shares	<b>29</b>		
	Debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		<b>41</b>	1859348	1955409
Other shares and other variable yield participations		<b>42</b>	26884	23835
Holdings in collective investment schemes		<b>43</b>	1098257	794654
Rights under derivative contracts		<b>44</b>	34901	36529
Fixed interest securities	Approved	<b>45</b>	2093687	2203814
	Other	<b>46</b>	1273300	1249863
Variable interest securities	Approved	<b>47</b>	122765	183992
	Other	<b>48</b>	45771	41021
Participation in investment pools		<b>49</b>	91694	86650
Loans secured by mortgages		<b>50</b>		
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>		
Loans secured by policies of insurance issued by the company		<b>52</b>	1300	2163
Other loans		<b>53</b>		
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	66130	46049
	More than one month withdrawal	<b>55</b>	125525	97941
Other financial investments		<b>56</b>		
Deposits with ceding undertakings		<b>57</b>		
Assets held to match linked liabilities	Index linked	<b>58</b>		
	Property linked	<b>59</b>	23691480	21632495

**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal London IB & OB Subfund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	21
				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	29614	11923
	Intermediaries	72		
Salvage and subrogation recoveries	73			
Reinsurance	Accepted	74		
	Ceded	75	17006	17162
Dependants	due in 12 months or less	76	5872	
	due in more than 12 months	77		
Other	due in 12 months or less	78	159128	156422
	due in more than 12 months	79		

**Other assets**

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	132077	174106
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
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	31744577	29471754
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**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal London IB & OB Subfund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	21
				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)	<b>91</b>	31744577	29471754
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>	511643	527933
Capital resources requirement deduction of regulated related undertakings	<b>94</b>	29645	31031
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>	25127	12171
Book value of related ancillary services undertakings	<b>97</b>	19064	9243
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>	77895	87849
Deferred acquisition costs excluded from line 89	<b>99</b>	343793	424645
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	876868	724888
Other asset adjustments (may be negative)	<b>101</b>	2177761	1882064
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)	<b>102</b>	35806373	33171578
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Refuge Assurance IB Subfund**

Company registration number		GL/UK/CM	day	month	year	Units	Category of assets
R13	99064	GL	31	12	2015	£000	23
					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	<b>21</b>		
	Debts and loans	<b>22</b>		
Other insurance dependants	Shares	<b>23</b>		
	Debts and loans	<b>24</b>		
Non-insurance dependants	Shares	<b>25</b>		
	Debts and loans	<b>26</b>		
Other group undertakings	Shares	<b>27</b>		
	Debts and loans	<b>28</b>		
Participating interests	Shares	<b>29</b>		
	Debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		<b>41</b>	82960	96943
Other shares and other variable yield participations		<b>42</b>	1589	1593
Holdings in collective investment schemes		<b>43</b>	22813	23094
Rights under derivative contracts		<b>44</b>	3	5
Fixed interest securities	Approved	<b>45</b>	92236	98007
	Other	<b>46</b>	49611	53335
Variable interest securities	Approved	<b>47</b>	4046	7057
	Other	<b>48</b>	1778	1746
Participation in investment pools		<b>49</b>		
Loans secured by mortgages		<b>50</b>	21	36
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>		
Loans secured by policies of insurance issued by the company		<b>52</b>		
Other loans		<b>53</b>		
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	2344	2344
	More than one month withdrawal	<b>55</b>	4449	4986
Other financial investments		<b>56</b>		
Deposits with ceding undertakings		<b>57</b>		
Assets held to match linked liabilities	Index linked	<b>58</b>		
	Property linked	<b>59</b>		

**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Refuge Assurance IB Subfund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	23
					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	25	27
	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	1128	278
	due in more than 12 months	79		

**Other assets**

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	1080	976
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
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	264083	290426
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**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Refuge Assurance IB Subfund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	23
				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	264083	290426
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		
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	264083	290426
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 **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **United Friendly OB Subfund**

Company registration number		GL/UK/CM	day	month	year	Units	Category of assets
R13	99064	GL	31	12	2015	£000	24
					As at end of this financial year		As at end of the previous year
					1		2
Land and buildings			11	365787			338189

**Investments in group undertakings and participating interests**

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

**Other financial investments**

Equity shares		<b>41</b>	413436	468700
Other shares and other variable yield participations		<b>42</b>	15315	14220
Holdings in collective investment schemes		<b>43</b>	75434	61534
Rights under derivative contracts		<b>44</b>	21	37
Fixed interest securities	Approved	<b>45</b>	1030892	1041604
	Other	<b>46</b>	467528	463237
Variable interest securities	Approved	<b>47</b>	40459	68724
	Other	<b>48</b>	16737	15146
Participation in investment pools		<b>49</b>	46357	44940
Loans secured by mortgages		<b>50</b>		
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>		
Loans secured by policies of insurance issued by the company		<b>52</b>	1294	2875
Other loans		<b>53</b>		
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	1879	2575
	More than one month withdrawal	<b>55</b>	3566	5476
Other financial investments		<b>56</b>		
Deposits with ceding undertakings		<b>57</b>		
Assets held to match linked liabilities	Index linked	<b>58</b>		
	Property linked	<b>59</b>		

**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **United Friendly OB Subfund**

Company registration number		GL/ UK/ CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	24
				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	27	35
	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	21762	11922
	due in more than 12 months	79		

**Other assets**

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	14503	9718
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
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	2514998	2548931
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# Analysis of admissible assets

Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**

Category of assets **United Friendly OB Subfund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	24
					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	2514998	2548931
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		
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	2514998	2548931
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 **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **United Friendly IB Subfund**

Company registration number		GL/UK/CM	day	month	year	Units	Category of assets
R13	99064	GL	31	12	2015	£000	25
					As at end of this financial year		As at end of the previous year
					1		2
Land and buildings			11	164587			151955

**Investments in group undertakings and participating interests**

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

**Other financial investments**

Equity shares		<b>41</b>	417213	456925
Other shares and other variable yield participations		<b>42</b>	6418	5794
Holdings in collective investment schemes		<b>43</b>	71466	63782
Rights under derivative contracts		<b>44</b>	11	17
Fixed interest securities	Approved	<b>45</b>	212792	216024
	Other	<b>46</b>	182799	170143
Variable interest securities	Approved	<b>47</b>	17985	24699
	Other	<b>48</b>	6568	5582
Participation in investment pools		<b>49</b>	20858	20193
Loans secured by mortgages		<b>50</b>		
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>		
Loans secured by policies of insurance issued by the company		<b>52</b>	1152	2117
Other loans		<b>53</b>		
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	926	1530
	More than one month withdrawal	<b>55</b>	1759	3254
Other financial investments		<b>56</b>		
Deposits with ceding undertakings		<b>57</b>		
Assets held to match linked liabilities	Index linked	<b>58</b>		
	Property linked	<b>59</b>		

**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **United Friendly IB Subfund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	25
				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	170	159
	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	7866	5905
	due in more than 12 months	79		

**Other assets**

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	430	2993
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
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	1113001	1131071
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**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **United Friendly IB Subfund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	25
					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	1113001	1131071
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		
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	1113001	1131071
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 **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Scottish Life Fund**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets	
	R13	99064	GL	31	12	2015	£000	26
					As at end of this financial year		As at end of the previous year	
					1		2	
Land and buildings				11		16785		14170

**Investments in group undertakings and participating interests**

UK insurance dependants	Shares	<b>21</b>		
	Debts and loans	<b>22</b>		
Other insurance dependants	Shares	<b>23</b>		
	Debts and loans	<b>24</b>		
Non-insurance dependants	Shares	<b>25</b>		
	Debts and loans	<b>26</b>		
Other group undertakings	Shares	<b>27</b>		
	Debts and loans	<b>28</b>	5474	5266
Participating interests	Shares	<b>29</b>		
	Debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		41	133765	220056
Other shares and other variable yield participations		42	5486	5659
Holdings in collective investment schemes		43	313337	172582
Rights under derivative contracts		44	124204	91515
Fixed interest securities	Approved	45	1052518	1230018
	Other	46	97137	146336
Variable interest securities	Approved	47		817
	Other	48	36944	46997
Participation in investment pools		49		
Loans secured by mortgages		50	20	20
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52	325	349
Other loans		53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	191336	153792
	More than one month withdrawal	55	363188	327096
Other financial investments		56		
Deposits with ceding undertakings		57		
Assets held to match linked liabilities	Index linked	58		
	Property linked	59	253825	292341

**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Scottish Life Fund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	26
					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	80	84
	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	8444	8133
	due in more than 12 months	79		

**Other assets**

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	190562	194363
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
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	2793428	2909595
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# Analysis of admissible assets

Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**

Category of assets **Scottish Life Fund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	26
					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	2793428	2909595
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	839	172
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	4485	3793
Other asset adjustments (may be negative)	101		
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	2798751	2913559
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 **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **PLAL With-Profits Fund**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets	
	R13	99064	GL	31	12	2015	£000	27
					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	<b>21</b>		
	Debts and loans	<b>22</b>		
Other insurance dependants	Shares	<b>23</b>		
	Debts and loans	<b>24</b>		
Non-insurance dependants	Shares	<b>25</b>		
	Debts and loans	<b>26</b>		
Other group undertakings	Shares	<b>27</b>		
	Debts and loans	<b>28</b>		
Participating interests	Shares	<b>29</b>		
	Debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		<b>41</b>	210566	217613
Other shares and other variable yield participations		<b>42</b>		
Holdings in collective investment schemes		<b>43</b>	47514	56179
Rights under derivative contracts		<b>44</b>	3397	3097
Fixed interest securities	Approved	<b>45</b>	118637	133701
	Other	<b>46</b>	245224	268442
Variable interest securities	Approved	<b>47</b>	7366	6163
	Other	<b>48</b>	5053	3584
Participation in investment pools		<b>49</b>		
Loans secured by mortgages		<b>50</b>		
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>		
Loans secured by policies of insurance issued by the company		<b>52</b>		
Other loans		<b>53</b>		
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	1520	2176
	More than one month withdrawal	<b>55</b>	2885	4628
Other financial investments		<b>56</b>		
Deposits with ceding undertakings		<b>57</b>		
Assets held to match linked liabilities	Index linked	<b>58</b>		
	Property linked	<b>59</b>		

**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **PLAL With-Profits Fund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	27
				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	668	601
	due in more than 12 months	79		

**Other assets**

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	4384	5147
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
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	647215	701332
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**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **PLAL With-Profits Fund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	27
				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	647215	701332
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	(50)	
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	647166	701332
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 **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal Liver Assurance Fund**

Company registration number		GL/UK/CM	day	month	year	Units	Category of assets
R13	99064	GL	31	12	2015	£000	28
					As at end of this financial year		As at end of the previous year
					1		2
Land and buildings			11	40819			163800

**Investments in group undertakings and participating interests**

UK insurance dependants	Shares	<b>21</b>		
	Debts and loans	<b>22</b>		
Other insurance dependants	Shares	<b>23</b>		
	Debts and loans	<b>24</b>		
Non-insurance dependants	Shares	<b>25</b>	1790	1816
	Debts and loans	<b>26</b>		
Other group undertakings	Shares	<b>27</b>	5510	5830
	Debts and loans	<b>28</b>		
Participating interests	Shares	<b>29</b>		
	Debts and loans	<b>30</b>		

**Other financial investments**

Equity shares		<b>41</b>	226216	166866
Other shares and other variable yield participations		<b>42</b>	83497	91295
Holdings in collective investment schemes		<b>43</b>	246084	277249
Rights under derivative contracts		<b>44</b>	14980	8012
Fixed interest securities	Approved	<b>45</b>	666586	684577
	Other	<b>46</b>	359658	427558
Variable interest securities	Approved	<b>47</b>	34880	64628
	Other	<b>48</b>	3655	4368
Participation in investment pools		<b>49</b>		
Loans secured by mortgages		<b>50</b>	353	404
Loans to public or local authorities and nationalised industries or undertakings		<b>51</b>		29
Loans secured by policies of insurance issued by the company		<b>52</b>	474	684
Other loans		<b>53</b>		
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	14376	23980
	More than one month withdrawal	<b>55</b>	27288	51003
Other financial investments		<b>56</b>		
Deposits with ceding undertakings		<b>57</b>		
Assets held to match linked liabilities	Index linked	<b>58</b>		
	Property linked	<b>59</b>	204288	207558

# Analysis of admissible assets

Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**

Category of assets **Royal Liver Assurance Fund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	28
					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	2029	2381
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	5882	4026
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	7665	17159
	due in more than 12 months	79		

## Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	85349	56013
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
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	2031380	2259236
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**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal Liver Assurance Fund**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	28
				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)	<b>91</b>	2031380	2259236
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>	105407	80321
Capital resources requirement deduction of regulated related undertakings	<b>94</b>	29	12
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>		
Deferred acquisition costs excluded from line 89	<b>99</b>		
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	94994	85979
Other asset adjustments (may be negative)	<b>101</b>	(3782)	(3267)
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)	<b>102</b>	2228028	2422282
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal London (CIS) Ordinary and Industrial Life**

Company registration number		GL/UK/CM	day	month	year	Units	Category of assets
R13	99064	GL	31	12	2015	£000	22
					As at end of this financial year		As at end of the previous year
					1		2
Land and buildings			11		1570653		1564479

**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	61101	63580
	Debts and loans	26		
Other group undertakings	Shares	27	32453	29351
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

**Other financial investments**

Equity shares		41	3425476	3382510
Other shares and other variable yield participations		42	416150	678066
Holdings in collective investment schemes		43	562269	197087
Rights under derivative contracts		44	2359054	2981310
Fixed interest securities	Approved	45	5997141	5926817
	Other	46	2895207	3070657
Variable interest securities	Approved	47		
	Other	48	2780604	2806827
Participation in investment pools		49	113642	91061
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	450	531
Other loans		53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	652495	640234
	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	456391	436395

**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal London (CIS) Ordinary and Industrial Life**

Company registration number		GL/ UK/ CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	22
				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	1645	2183
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		1064
Dependants	due in 12 months or less	76		174400
	due in more than 12 months	77		
Other	due in 12 months or less	78	183541	74426
	due in more than 12 months	79		

**Other assets**

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	136410	438534
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
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	21644682	22559512
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**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal London (CIS) Ordinary and Industrial Life**

Company registration number		GL/ UK/ CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	22
				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	21644682	22559512
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	989	546
Capital resources requirement deduction of regulated related undertakings	94	3245	180
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96	1321	2767
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98	73196	71767
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100	4325885	4647122
Other asset adjustments (may be negative)	101	8664	4825
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	26057982	27286719
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 **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal London (CIS) With-Profits Stakeholder**

Company registration number		GL/UK/CM	day	month	year	Units	Category of assets
R13	99064	GL	31	12	2015	£000	29
					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	313779	298632
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 **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal London (CIS) With-Profits Stakeholder**

Company registration number		GL/ UK/ CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	29
				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	13	13
	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	1978	593
	due in more than 12 months	79		

**Other assets**

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	6254	16253
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
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	322024	315490
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**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal London (CIS) With-Profits Stakeholder**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	29
					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	322024	315490
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	485	75
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	(13)	(13)
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	322496	315552
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 **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal London (CIS) With-Profits Pension**

Company registration number		GL/UK/CM	day	month	year	Units	Category of assets
R13	99064	GL	31	12	2015	£000	81
					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	4066	3833
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 **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal London (CIS) With-Profits Pension**

Company registration number		GL/ UK/ CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	81
				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	24	9
	due in more than 12 months	79		

**Other assets**

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	138	599
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
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	4228	4441
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**Analysis of admissible assets**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal London (CIS) With-Profits Pension**

Company registration number		GL/UK/CM	day month year			Units	Category of assets
R13	99064	GL	31	12	2015	£000	81
				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	4228	4441
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	6	1
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		
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	4235	4442
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 **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Total business/Sub fund **Summary**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		<b>11</b>	43280401	42611482
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus/(valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	43280401	42611482
Claims outstanding	Gross	<b>15</b>	274563	360712
	Reinsurers' share	<b>16</b>	87439	53869
	Net (15-16)	<b>17</b>	187123	306843
Provisions	Taxation	<b>21</b>	79051	88125
	Other risks and charges	<b>22</b>	71482	25410
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	248235	97269
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>	2803748	2830998
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>	198147	250039
Creditors	Taxation	<b>37</b>	24952	87217
	Other	<b>38</b>	2652104	3169401
Accruals and deferred income		<b>39</b>	28239	30264
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	6293081	6885566
Excess of the value of net admissible assets		<b>51</b>	13506133	12694740
Total liabilities and margins		<b>59</b>	63079615	62191787

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	50702	213322
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	24604089	22567727

Total liabilities (11+12+49)	<b>71</b>	49573482	49497048
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>	5302231	5461781
Other adjustments to liabilities (may be negative)	<b>74</b>	13521886	12644013
Capital and reserves and fund for future appropriations	<b>75</b>	3359513	3183049
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)	<b>76</b>	71757112	70785891

**Long term insurance business liabilities and margins**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Total business/Sub fund **Royal London IB & OB Subfund**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		<b>11</b>	27268355	25208923
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus/(valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	27268355	25208923
Claims outstanding	Gross	<b>15</b>	113176	145938
	Reinsurers' share	<b>16</b>	50204	21122
	Net (15-16)	<b>17</b>	62972	124816
Provisions	Taxation	<b>21</b>	(19250)	(16997)
	Other risks and charges	<b>22</b>	68492	21179
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	197722	57164
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>	21027	19112
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>	12999	8739
Creditors	Taxation	<b>37</b>		
	Other	<b>38</b>	891994	796897
Accruals and deferred income		<b>39</b>	6242	5929
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	1242198	1016838
Excess of the value of net admissible assets		<b>51</b>	3234025	3245993
Total liabilities and margins		<b>59</b>	31744577	29471754

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	50702	38608
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	23689585	21631432

Total liabilities (11+12+49)	<b>71</b>	28510553	26225761
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
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)	<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Total business/Sub fund **Refuge Assurance IB Subfund**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		<b>11</b>	111677	124197
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus/(valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	111677	124197
Claims outstanding	Gross	<b>15</b>	2602	2930
	Reinsurers' share	<b>16</b>		
	Net (15-16)	<b>17</b>	2602	2930
Provisions	Taxation	<b>21</b>	4657	5484
	Other risks and charges	<b>22</b>		
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	490	511
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>		
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>		
Creditors	Taxation	<b>37</b>	4094	4084
	Other	<b>38</b>	890	63
Accruals and deferred income		<b>39</b>		
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	12732	13073
Excess of the value of net admissible assets		<b>51</b>	139674	153157
Total liabilities and margins		<b>59</b>	264083	290426

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

Total liabilities (11+12+49)	<b>71</b>	124409	137269
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
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)	<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Total business/Sub fund **United Friendly OB Subfund**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		<b>11</b>	1522374	1539361
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus/(valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	1522374	1539361
Claims outstanding	Gross	<b>15</b>	1349	1349
	Reinsurers' share	<b>16</b>		
	Net (15-16)	<b>17</b>	1349	1349
Provisions	Taxation	<b>21</b>	2188	2287
	Other risks and charges	<b>22</b>	386	602
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	387	536
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>		
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>	71	5
Creditors	Taxation	<b>37</b>	2643	2576
	Other	<b>38</b>	12584	14637
Accruals and deferred income		<b>39</b>	3156	3075
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	22764	25065
Excess of the value of net admissible assets		<b>51</b>	969860	984504
Total liabilities and margins		<b>59</b>	2514998	2548931

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

Total liabilities (11+12+49)	<b>71</b>	1545138	1564426
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
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)	<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Total business/Sub fund **United Friendly IB Subfund**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		<b>11</b>	435976	446886
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus/(valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	435976	446886
Claims outstanding	Gross	<b>15</b>		
	Reinsurers' share	<b>16</b>		
	Net (15-16)	<b>17</b>		
Provisions	Taxation	<b>21</b>	34066	33049
	Other risks and charges	<b>22</b>	174	270
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	713	804
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>		
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>		
Creditors	Taxation	<b>37</b>	17842	15470
	Other	<b>38</b>	2918	6534
Accruals and deferred income		<b>39</b>	1420	1382
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	57132	57509
Excess of the value of net admissible assets		<b>51</b>	619893	626676
Total liabilities and margins		<b>59</b>	1113001	1131071

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

Total liabilities (11+12+49)	<b>71</b>	493108	504396
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
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)	<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Total business/Sub fund **Scottish Life Fund**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		<b>11</b>	2194429	2375224
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus/(valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	2194429	2375224
Claims outstanding	Gross	<b>15</b>	51	18594
	Reinsurers' share	<b>16</b>	2	2
	Net (15-16)	<b>17</b>	49	18591
Provisions	Taxation	<b>21</b>	293	377
	Other risks and charges	<b>22</b>	193	233
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	17775	11490
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>	0	
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>	70475	
Creditors	Taxation	<b>37</b>	374	447
	Other	<b>38</b>	52822	86643
Accruals and deferred income		<b>39</b>	14	14
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	141995	117796
Excess of the value of net admissible assets		<b>51</b>	457004	416575
Total liabilities and margins		<b>59</b>	2793428	2909594

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	0	
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	253825	292341

Total liabilities (11+12+49)	<b>71</b>	2336424	2493020
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
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)	<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Total business/Sub fund **PLAL With-Profits Fund**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		<b>11</b>	429619	455452
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus/(valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	429619	455452
Claims outstanding	Gross	<b>15</b>		
	Reinsurers' share	<b>16</b>		
	Net (15-16)	<b>17</b>		
Provisions	Taxation	<b>21</b>	683	1544
	Other risks and charges	<b>22</b>		
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>		
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>		
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>		
Creditors	Taxation	<b>37</b>		3967
	Other	<b>38</b>	4212	4827
Accruals and deferred income		<b>39</b>		
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	4895	10338
Excess of the value of net admissible assets		<b>51</b>	212701	235542
Total liabilities and margins		<b>59</b>	647215	701332

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

Total liabilities (11+12+49)	<b>71</b>	434514	465790
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
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)	<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Total business/Sub fund **Royal Liver Assurance Fund**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		<b>11</b>	1593691	1790959
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus/(valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	1593691	1790959
Claims outstanding	Gross	<b>15</b>	46541	43064
	Reinsurers' share	<b>16</b>	16533	14745
	Net (15-16)	<b>17</b>	30008	28320
Provisions	Taxation	<b>21</b>	552	640
	Other risks and charges	<b>22</b>	1556	2102
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	13813	12095
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>	9176	10560
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>	13004	9870
Creditors	Taxation	<b>37</b>		
	Other	<b>38</b>	5402	13225
Accruals and deferred income		<b>39</b>	36	909
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	73548	77720
Excess of the value of net admissible assets		<b>51</b>	364141	390557
Total liabilities and margins		<b>59</b>	2031380	2259236

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>		
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	204288	207558

Total liabilities (11+12+49)	<b>71</b>	1667239	1868680
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
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)	<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Total business/Sub fund **Royal London (CIS) Ordinary and Industrial Life**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		<b>11</b>	9399628	10352535
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus/(valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	9399628	10352535
Claims outstanding	Gross	<b>15</b>	110844	148837
	Reinsurers' share	<b>16</b>	20700	18000
	Net (15-16)	<b>17</b>	90144	130837
Provisions	Taxation	<b>21</b>	55862	61740
	Other risks and charges	<b>22</b>	682	1025
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	17336	14669
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>	2773545	2801327
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>	101597	231426
Creditors	Taxation	<b>37</b>		60673
	Other	<b>38</b>	1679683	2244588
Accruals and deferred income		<b>39</b>	17370	18956
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	4736218	5565241
Excess of the value of net admissible assets		<b>51</b>	7508836	6641736
Total liabilities and margins		<b>59</b>	21644682	22559512

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>		174314
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	456391	436395

Total liabilities (11+12+49)	<b>71</b>	14135846	15917776
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
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)	<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Total business/Sub fund **Royal London (CIS) With-Profits Stakeholder**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		<b>11</b>	320443	313873
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus/(valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	320443	313873
Claims outstanding	Gross	<b>15</b>		
	Reinsurers' share	<b>16</b>		
	Net (15-16)	<b>17</b>		
Provisions	Taxation	<b>21</b>		
	Other risks and charges	<b>22</b>		
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>		
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>		
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>		
Creditors	Taxation	<b>37</b>		
	Other	<b>38</b>	1581	1618
Accruals and deferred income		<b>39</b>		
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	1581	1618
Excess of the value of net admissible assets		<b>51</b>		
Total liabilities and margins		<b>59</b>	322024	315490

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

Total liabilities (11+12+49)	<b>71</b>	322024	315490
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
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)	<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Total business/Sub fund **Royal London (CIS) With-Profits Pension**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		<b>11</b>	4210	4072
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus/(valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	4210	4072
Claims outstanding	Gross	<b>15</b>		
	Reinsurers' share	<b>16</b>		
	Net (15-16)	<b>17</b>		
Provisions	Taxation	<b>21</b>		
	Other risks and charges	<b>22</b>		
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>		
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>		
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>		
Creditors	Taxation	<b>37</b>		
	Other	<b>38</b>	19	369
Accruals and deferred income		<b>39</b>		
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	19	369
Excess of the value of net admissible assets		<b>51</b>		
Total liabilities and margins		<b>59</b>	4228	4440

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>		400
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>		

Total liabilities (11+12+49)	<b>71</b>	4228	4440
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
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)	<b>76</b>		

**Analysis of derivative contracts**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Total long term insurance business assets**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	99064	GL	31	12	2015	£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	2266788	1423778		11774747		4628137	
	Inflation	13							
	Credit index / basket	14	30358	1045		1357382		1685304	
	Credit single name	15		21				5000	
	Equity index	16							
	Equity stock	17	22			47			
	Land	18							
	Currencies	19							
	Mortality	20							
	Other	21	10195	7411		355468		427429	
In the money options	Swaptions	31							
	Equity index calls	32	30414			84020			
	Equity stock calls	33							
	Equity index puts	34							
	Equity stock puts	35							
	Other	36							
Out of the money options	Swaptions	41	170948			7796530			
	Equity index calls	42		12830				84000	
	Equity stock calls	43							
	Equity index puts	44	27847					602210	
	Equity stock puts	45							
	Other	46							
Total (11 to 46)		51	2536571	1445085		21368195		7432079	
Adjustment for variation margin		52	(2549003)	(1497424)					
Total (51 + 52)		53	(12433)	(52339)					

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 contracts**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal London IB & OB Subfund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	99064	GL	31	12	2015	£000	21
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	34814	30771		181546		115884	
	Inflation	13							
	Credit index / basket	14							
	Credit single name	15		9				2132	
	Equity index	16							
	Equity stock	17	16			30			
	Land	18							
	Currencies	19							
	Mortality	20							
	Other	21	71	365		3074		13510	
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	34901	31144		184650		131526	
Adjustment for variation margin		52	(34849)	(30780)					
Total (51 + 52)		53	52	365					

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 contracts**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Refuge Assurance IB Subfund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	99064	GL	31	12	2015	£000	23
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							83
	Equity index	16							
	Equity stock	17	1			2			
	Land	18							
	Currencies	19							
	Mortality	20							
	Other	21	2	19		73		590	
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	3	19		75		673	
Adjustment for variation margin		52		(0)					
Total (51 + 52)		53	3	19					

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 contracts**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **United Friendly OB Subfund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	99064	GL	31	12	2015	£000	24
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		3				780	
	Equity index	16							
	Equity stock	17	2				4		
	Land	18							
	Currencies	19							
	Mortality	20							
	Other	21	18	203			793	6167	
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	21	206			797	6946	
Adjustment for variation margin		52		(3)					
Total (51 + 52)		53	21	203					

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 contracts**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **United Friendly IB Subfund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	99064	GL	31	12	2015	£000	25
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				1			306
	Equity index	16							
	Equity stock	17	2			5			
	Land	18							
	Currencies	19							
	Mortality	20							
	Other	21	8	54		354			1893
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	11	55		358	2199		
Adjustment for variation margin		52		(1)					
Total (51 + 52)		53	11	54					

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 contracts**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Scottish Life Fund**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets	
		R17	99064	GL	31	12	2015	£000	26
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	121504	21499		1207940	396758		
	Inflation	13							
	Credit index / basket	14							
	Credit single name	15		7			1700		
	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	2701			927666			
	Equity index calls	42							
	Equity stock calls	43							
	Equity index puts	44							
	Equity stock puts	45							
	Other	46							
Total (11 to 46)		51	124204	21506		2135606	398458		
Adjustment for variation margin		52	(123470)	(19148)					
Total (51 + 52)		53	734	2358					

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 contracts**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **PLAL With-Profits Fund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	99064	GL	31	12	2015	£000	27
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	3397	3854		14323		11650	
	Inflation	13							
	Credit index / basket	14							
	Credit single name	15							
	Equity index	16							
	Equity stock	17							
	Land	18							
	Currencies	19							
	Mortality	20							
	Other	21		17				385	
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	3397	3871		14323		12035	
Adjustment for variation margin		52	(3447)	(3854)					
Total (51 + 52)		53	(50)	17					

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 contracts**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal Liver Assurance Fund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	99064	GL	31	12	2015	£000	28
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	10096	125		351175		231273	
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	4884					37096	
	Equity stock puts	45							
	Other	46							
Total (11 to 46)		51	14980	125		351175	268369		
Adjustment for variation margin		52	(15484)	(125)					
Total (51 + 52)		53	(504)						

THE NOTIONAL AMOUNTS IN COLUMNS 3 AND 4 ARE NOT A MEASURE OF EXPOSURE.  
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**Analysis of derivative contracts**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**Category of assets **Royal London (CIS) Ordinary and Industrial Life**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	99064	GL	31	12	2015	£000	22
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	2107072	1367655		10370938		4103844	
	Inflation	13							
	Credit index / basket	14	30358	1045		1357382		1685304	
	Credit single name	15							
	Equity index	16							
	Equity stock	17	1			6			
	Land	18							
	Currencies	19							
	Mortality	20							
	Other	21		6628				173611	
In the money options	Swaptions	31							
	Equity index calls	32	30414			84020			
	Equity stock calls	33							
	Equity index puts	34							
	Equity stock puts	35							
	Other	36							
Out of the money options	Swaptions	41	168247			6868864			
	Equity index calls	42		12830				84000	
	Equity stock calls	43							
	Equity index puts	44	22962					565114	
	Equity stock puts	45							
	Other	46							
Total (11 to 46)		51	2359054	1388158		18681210		6611873	
Adjustment for variation margin		52	(2371753)	(1443513)					
Total (51 + 52)		53	(12699)	(55355)					

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.

**With-profits insurance capital component for the fund**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **Total Long Term Insurance Business Assets**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	63079615	62191788
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	26201662	24014039
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	497426	478542
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	36380527	37699207
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	17078739	18597443
	Regulatory current liabilities of the fund	<b>22</b>	6293081	6885567
	Total (21+22)	<b>29</b>	23371820	25483009
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	691526	752688
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	24063346	26235697
Regulatory excess capital (19-39)		<b>49</b>	12317181	11463510

**Realistic excess capital**

Realistic excess capital	<b>51</b>	2900896	2749576
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>		8713933
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>	743275	640423
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>	694900	642431
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	9525619	8713933

**With-profits insurance capital component for the fund**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **Royal London IB & OB Subfund**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	31744577	29471754
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	24084147	21937794
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	313709	285528
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	7346722	7248432
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	3184208	3271130
	Regulatory current liabilities of the fund	<b>22</b>	1242198	1016838
	Total (21+22)	<b>29</b>	4426406	4287967
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	128754	132366
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	4555160	4420334
Regulatory excess capital (19-39)		<b>49</b>	2791562	2828099

**Realistic excess capital**

Realistic excess capital	<b>51</b>	2900896	2749576
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	(109334)	78522
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>	743275	640423
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>	694900	642431
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>		78522

**With-profits insurance capital component for the fund**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **Refuge Assurance IB Subfund**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	264083	290426
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	28622	25185
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	1148	1011
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	234313	264230
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	83055	99012
	Regulatory current liabilities of the fund	<b>22</b>	12732	13073
	Total (21+22)	<b>29</b>	95788	112085
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	3413	4074
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	99200	116159
Regulatory excess capital (19-39)		<b>49</b>	135113	148071

**Realistic excess capital**

Realistic excess capital	<b>51</b>		
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	135113	148071
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	135113	148071

**With-profits insurance capital component for the fund**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **United Friendly OB Subfund**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	2514998	2548931
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>		
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>		
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	2514998	2548931
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	1522374	1539361
	Regulatory current liabilities of the fund	<b>22</b>	22764	25065
	Total (21+22)	<b>29</b>	1545138	1564426
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	61303	62050
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	1606441	1626476
Regulatory excess capital (19-39)		<b>49</b>	908557	922455

**Realistic excess capital**

Realistic excess capital	<b>51</b>		
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	908557	922455
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	908557	922455

**With-profits insurance capital component for the fund**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **United Friendly IB Subfund**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	1113001	1131071
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>		
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>		
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	1113001	1131071
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	435976	446886
	Regulatory current liabilities of the fund	<b>22</b>	57132	57509
	Total (21+22)	<b>29</b>	493108	504396
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	17906	18402
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	511014	522797
Regulatory excess capital (19-39)		<b>49</b>	601987	608274

**Realistic excess capital**

Realistic excess capital	<b>51</b>		
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	601987	608274
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	601987	608274

**With-profits insurance capital component for the fund**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **Scottish Life Fund**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	2793428	2909595
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	500798	550532
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	20582	22493
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	2272048	2336570
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	1693631	1824692
	Regulatory current liabilities of the fund	<b>22</b>	141995	117796
	Total (21+22)	<b>29</b>	1835626	1942488
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	68248	73561
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	1903874	2016050
Regulatory excess capital (19-39)		<b>49</b>	368174	320521

**Realistic excess capital**

Realistic excess capital	<b>51</b>		
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	368174	320521
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	368174	320521

**With-profits insurance capital component for the fund**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **PLAL With-Profits Fund**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	647215	701332
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>		
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>		
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	647215	701332
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	429619	455452
	Regulatory current liabilities of the fund	<b>22</b>	4895	10338
	Total (21+22)	<b>29</b>	434514	465790
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	17185	18218
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	451699	484008
Regulatory excess capital (19-39)		<b>49</b>	195516	217324

**Realistic excess capital**

Realistic excess capital	<b>51</b>		
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	195516	217324
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	195516	217324

**With-profits insurance capital component for the fund**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **Royal Liver Assurance Fund**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	2031380	2259236
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	643963	647595
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	46908	49682
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	1340509	1561960
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	949727	1143364
	Regulatory current liabilities of the fund	<b>22</b>	73548	77720
	Total (21+22)	<b>29</b>	1023275	1221085
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	38176	46005
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	1061452	1267090
Regulatory excess capital (19-39)		<b>49</b>	279057	294870

**Realistic excess capital**

Realistic excess capital	<b>51</b>		
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	279057	294870
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	279057	294870

**With-profits insurance capital component for the fund**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **Royal London (CIS) Ordinary and Industrial Life**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	21644682	22559512
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	944132	852934
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	115079	119828
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	20585470	21586750
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	8455495	9499601
	Regulatory current liabilities of the fund	<b>22</b>	4736218	5565241
	Total (21+22)	<b>29</b>	13191713	15064842
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	356543	398011
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	13548256	15462853
Regulatory excess capital (19-39)		<b>49</b>	7037214	6123897

**Realistic excess capital**

Realistic excess capital	<b>51</b>		
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	7037214	6123897
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	7037214	6123897

**With-profits insurance capital component for the fund**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **Royal London (CIS) With-Profits Stakeholder**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	11	322024	315490
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13		
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14		
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		
	Total (11+12-(13+14+15))	19	322024	315490
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	21	320443	313873
	Regulatory current liabilities of the fund	22	1581	1618
	Total (21+22)	29	322024	315490
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31		
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	322024	315490
Regulatory excess capital (19-39)		49		

**Realistic excess capital**

Realistic excess capital	51		
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	61		
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64		
Present value of other future internal transfers not already taken into account	65		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	66		

**With-profits insurance capital component for the fund**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **Royal London (CIS) With-Profits Pension**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	11	4228	4440
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13		
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14		
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		
	Total (11+12-(13+14+15))	19	4228	4440
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	21	4210	4072
	Regulatory current liabilities of the fund	22	19	369
	Total (21+22)	29	4228	4440
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31		
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	4228	4440
Regulatory excess capital (19-39)		49		

**Realistic excess capital**

Realistic excess capital	51		
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	61		
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64		
Present value of other future internal transfers not already taken into account	65		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	66		

**Realistic balance sheet**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **Total Long Term Insurance Business Assets**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	11	36380527	37699207
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		10207
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	2508887	2266387
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		20161
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	38889414	39975549
Support arrangement assets	27		
Assets available to the fund (26+27)	29	38889414	39975549

**Realistic value of liabilities of fund**

With-profits benefit reserve		31	22827577	23658826
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	527700	333400
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	3584924	3051499
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	472826	508147
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	183193	194419
	Future costs of contractual guarantees (other than financial options)	41	1002936	1114713
	Future costs of non-contractual commitments	42	103133	99206
	Future costs of financial options	43	1777315	2259485
	Future costs of smoothing (possibly negative)	44	233278	155508
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	297149	352646
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	6870415	6663892
Realistic current liabilities of the fund		51	6290526	6888476
Realistic value of liabilities of fund (31+49+51)		59	35988518	37211194

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 With-profits fund **Total Long Term Insurance Business Assets**  
 Financial year ended **31 December 2015**  
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	35988518	37225972
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	35988518	37225972
Risk capital margin for fund (62-59)	<b>65</b>		14778
Realistic excess capital for fund (26-(59+65))	<b>66</b>	2900896	2749576
Realistic excess available capital for fund (29-(59+65))	<b>67</b>	2900896	2749576
Working capital for fund (29-59)	<b>68</b>	2900896	2764355
Working capital ratio for fund (68/29)	<b>69</b>	7.46	6.92

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **Royal London IB & OB Subfund**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	11	7346722	7248432
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		10207
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	2134406	1946047
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		20161
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	9481128	9204434
Support arrangement assets	27		
Assets available to the fund (26+27)	29	9481128	9204434

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	4889855	4889134
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	
	Past miscellaneous deficit attributed to with-profits benefits reserve	33	
	Planned enhancements to with-profits benefits reserve	34	
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	54894
	Future costs of contractual guarantees (other than financial options)	41	214743
	Future costs of non-contractual commitments	42	
	Future costs of financial options	43	163533
	Future costs of smoothing (possibly negative)	44	7769
	Financing costs	45	
	Any other liabilities related to regulatory duty to treat customers fairly	46	
	Other long-term insurance liabilities	47	119582
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	450734
Realistic current liabilities of the fund	51	1239643	1019748
Realistic value of liabilities of fund (31+49+51)	59	6580232	6440079

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 With-profits fund **Royal London IB & OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	6580232	6454857
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	6580232	6454857
Risk capital margin for fund (62-59)	<b>65</b>		14778
Realistic excess capital for fund (26-(59+65))	<b>66</b>	2900896	2749576
Realistic excess available capital for fund (29-(59+65))	<b>67</b>	2900896	2749576
Working capital for fund (29-59)	<b>68</b>	2900896	2764355
Working capital ratio for fund (68/29)	<b>69</b>	30.60	30.03

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **Refuge Assurance IB Subfund**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	<b>11</b>	234313	264230
Implicit items allocated to the fund	<b>12</b>		
Value of shares in subsidiaries held in fund (regulatory)	<b>13</b>		
Excess admissible assets	<b>21</b>		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	<b>22</b>	7333	(779)
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	<b>23</b>		
Value of shares in subsidiaries held in fund (realistic)	<b>24</b>		
Prepayments made from the fund	<b>25</b>		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	<b>26</b>	241646	263451
Support arrangement assets	<b>27</b>		
Assets available to the fund (26+27)	<b>29</b>	241646	263451

**Realistic value of liabilities of fund**

With-profits benefit reserve	<b>31</b>	155487	176665
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	<b>32</b>	
	Past miscellaneous deficit attributed to with-profits benefits reserve	<b>33</b>	
	Planned enhancements to with-profits benefits reserve	<b>34</b>	54571
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	<b>35</b>	
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	<b>36</b>	
	Future costs of contractual guarantees (other than financial options)	<b>41</b>	10503
	Future costs of non-contractual commitments	<b>42</b>	
	Future costs of financial options	<b>43</b>	
	Future costs of smoothing (possibly negative)	<b>44</b>	7009
	Financing costs	<b>45</b>	
	Any other liabilities related to regulatory duty to treat customers fairly	<b>46</b>	
	Other long-term insurance liabilities	<b>47</b>	1344
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	<b>49</b>	73427
Realistic current liabilities of the fund	<b>51</b>	12732	13073
Realistic value of liabilities of fund (31+49+51)	<b>59</b>	241646	263451

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 With-profits fund **Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	241646	263451
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	241646	263451
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**

With-profits fund **United Friendly OB Subfund**

Financial year ended **31 December 2015**

Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	11	2514998	2548931
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22		
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	2514998	2548931
Support arrangement assets	27		
Assets available to the fund (26+27)	29	2514998	2548931

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	2236903	2277935
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	
	Past miscellaneous deficit attributed to with-profits benefits reserve	33	
	Planned enhancements to with-profits benefits reserve	34	126627
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	
	Future costs of contractual guarantees (other than financial options)	41	92240
	Future costs of non-contractual commitments	42	
	Future costs of financial options	43	
	Future costs of smoothing (possibly negative)	44	31999
	Financing costs	45	
	Any other liabilities related to regulatory duty to treat customers fairly	46	
	Other long-term insurance liabilities	47	4466
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	255331
Realistic current liabilities of the fund	51	22764	25065
Realistic value of liabilities of fund (31+49+51)	59	2514998	2548931

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 With-profits fund **United Friendly OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	2514998	2548931
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	2514998	2548931
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**

With-profits fund **United Friendly IB Subfund**

Financial year ended **31 December 2015**

Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	11	1113001	1131071
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22		
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	1113001	1131071
Support arrangement assets	27		
Assets available to the fund (26+27)	29	1113001	1131071

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	903339	897318
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	
	Past miscellaneous deficit attributed to with-profits benefits reserve	33	
	Planned enhancements to with-profits benefits reserve	34	123354
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	
	Future costs of contractual guarantees (other than financial options)	41	18221
	Future costs of non-contractual commitments	42	
	Future costs of financial options	43	
	Future costs of smoothing (possibly negative)	44	5512
	Financing costs	45	
	Any other liabilities related to regulatory duty to treat customers fairly	46	
	Other long-term insurance liabilities	47	5443
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	152529
Realistic current liabilities of the fund	51	57132	57509
Realistic value of liabilities of fund (31+49+51)	59	1113001	1131071

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 With-profits fund **United Friendly IB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	1113001	1131071
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	1113001	1131071
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**

With-profits fund **Scottish Life Fund**

Financial year ended **31 December 2015**

Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	11	2272048	2336570
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	113075	87043
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	2385122	2423613
Support arrangement assets	27		
Assets available to the fund (26+27)	29	2385122	2423613

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	1307351	1454931
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	
	Past miscellaneous deficit attributed to with-profits benefits reserve	33	
	Planned enhancements to with-profits benefits reserve	34	373612
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	28277
	Future costs of contractual guarantees (other than financial options)	41	55721
	Future costs of non-contractual commitments	42	
	Future costs of financial options	43	406263
	Future costs of smoothing (possibly negative)	44	114904
	Financing costs	45	
	Any other liabilities related to regulatory duty to treat customers fairly	46	
	Other long-term insurance liabilities	47	13553
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	935777
Realistic current liabilities of the fund	51	141995	117796
Realistic value of liabilities of fund (31+49+51)	59	2385122	2423613

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 With-profits fund **Scottish Life Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	2385122	2423613
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	2385122	2423613
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **PLAL With-Profits Fund**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	11	647215	701332
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22		
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	647215	701332
Support arrangement assets	27		
Assets available to the fund (26+27)	29	647215	701332

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	611185	659978
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	
	Past miscellaneous deficit attributed to with-profits benefits reserve	33	
	Planned enhancements to with-profits benefits reserve	34	27933
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	
	Future costs of contractual guarantees (other than financial options)	41	3088
	Future costs of non-contractual commitments	42	
	Future costs of financial options	43	
	Future costs of smoothing (possibly negative)	44	
	Financing costs	45	
	Any other liabilities related to regulatory duty to treat customers fairly	46	
	Other long-term insurance liabilities	47	114
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	31136
Realistic current liabilities of the fund	51	4895	10338
Realistic value of liabilities of fund (31+49+51)	59	647215	701332

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 With-profits fund **PLAL With-Profits Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	647215	701332
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	647215	701332
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**

With-profits fund **Royal Liver Assurance Fund**

Financial year ended **31 December 2015**

Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	11	1340509	1561960
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	84669	71249
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	1425178	1633209
Support arrangement assets	27		
Assets available to the fund (26+27)	29	1425178	1633209

**Realistic value of liabilities of fund**

With-profits benefit reserve		31	962707	1126259
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	75501	90924
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	233309	243094
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	43518	52106
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	18863	25529
	Future costs of contractual guarantees (other than financial options)	41	77609	96160
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	34374	37988
	Future costs of smoothing (possibly negative)	44	12178	14842
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	18333	23855
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	388922	429229
Realistic current liabilities of the fund		51	73548	77720
Realistic value of liabilities of fund (31+49+51)		59	1425178	1633209

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 With-profits fund **Royal Liver Assurance Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	1425178	1633209
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	1425178	1633209
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**

With-profits fund **Royal London (CIS) Ordinary and Industrial Life**

Financial year ended **31 December 2015**

Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	11	20585470	21586750
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	169404	162827
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	20754875	21749578
Support arrangement assets	27		
Assets available to the fund (26+27)	29	20754875	21749578

**Realistic value of liabilities of fund**

With-profits benefit reserve		31	11436098	11858662
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	452199	242476
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	2645518	2272958
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	429309	456041
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	81159	84296
	Future costs of contractual guarantees (other than financial options)	41	530812	596437
	Future costs of non-contractual commitments	42	103133	99206
	Future costs of financial options	43	1173145	1485774
	Future costs of smoothing (possibly negative)	44	53908	9490
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	134313	159670
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	4582559	4325675
Realistic current liabilities of the fund		51	4736218	5565241
Realistic value of liabilities of fund (31+49+51)		59	20754875	21749578

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 With-profits fund **Royal London (CIS) Ordinary and Industrial Life**  
 Financial year ended **31 December 2015**  
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	20754875	21749578
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	20754875	21749578
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **Royal London (CIS) With-Profits Stakeholder**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	11	322024	315490
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22		
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	322024	315490
Support arrangement assets	27		
Assets available to the fund (26+27)	29	322024	315490

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	320443	313873
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	
	Past miscellaneous deficit attributed to with-profits benefits reserve	33	
	Planned enhancements to with-profits benefits reserve	34	
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	
	Future costs of contractual guarantees (other than financial options)	41	
	Future costs of non-contractual commitments	42	
	Future costs of financial options	43	
	Future costs of smoothing (possibly negative)	44	
	Financing costs	45	
	Any other liabilities related to regulatory duty to treat customers fairly	46	
	Other long-term insurance liabilities	47	
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	
Realistic current liabilities of the fund	51	1581	1618
Realistic value of liabilities of fund (31+49+51)	59	322024	315490

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 With-profits fund **Royal London (CIS) With-Profits Stakeholder**  
 Financial year ended **31 December 2015**  
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	322024	315490
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	322024	315490
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**Name of insurer **The Royal London Mutual Insurance Society Limited**With-profits fund **Royal London (CIS) With-Profits Pension**Financial year ended **31 December 2015**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic value of assets available to the fund**

Regulatory value of assets	11	4228	4440
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22		
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	4228	4440
Support arrangement assets	27		
Assets available to the fund (26+27)	29	4228	4440

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	4210	4072
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32	
	Past miscellaneous deficit attributed to with-profits benefits reserve	33	
	Planned enhancements to with-profits benefits reserve	34	
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	
	Future costs of contractual guarantees (other than financial options)	41	
	Future costs of non-contractual commitments	42	
	Future costs of financial options	43	
	Future costs of smoothing (possibly negative)	44	
	Financing costs	45	
	Any other liabilities related to regulatory duty to treat customers fairly	46	
	Other long-term insurance liabilities	47	
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	
Realistic current liabilities of the fund	51	19	369
Realistic value of liabilities of fund (31+49+51)	59	4228	4440

**Realistic balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 With-profits fund **Royal London (CIS) With-Profits Pension**  
 Financial year ended **31 December 2015**  
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	4228	4440
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	4228	4440
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Long-term insurance business : Revenue account**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Summary**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Income**

Earned premiums	11	5021531	3246395
Investment income receivable before deduction of tax	12	1795967	1257420
Increase (decrease) in the value of non-linked assets brought into account	13	(593624)	639975
Increase (decrease) in the value of linked assets	14	57024	797576
Other income	15	14243	67494
<b>Total income</b>	<b>19</b>	<b>6295141</b>	<b>6008860</b>

**Expenditure**

Claims incurred	21	4942945	2583722
Expenses payable	22	606514	416508
Interest payable before the deduction of tax	23	45291	43563
Taxation	24	(17495)	26823
Other expenditure	25	48965	69035
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>5626221</b>	<b>3139651</b>

Business transfers - in	31		13832285
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	668920	16701494
Fund brought forward	49	42611481	25909987
Fund carried forward (39+49)	59	43280401	42611481

**Long-term insurance business : Revenue account**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London IB & OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Income**

Earned premiums	11	4649596	3170252
Investment income receivable before deduction of tax	12	950718	947911
Increase (decrease) in the value of non-linked assets brought into account	13	111726	(52960)
Increase (decrease) in the value of linked assets	14	25033	772817
Other income	15	138581	134957
<b>Total income</b>	<b>19</b>	<b>5875654</b>	<b>4972977</b>

**Expenditure**

Claims incurred	21	3304815	1974305
Expenses payable	22	420004	359194
Interest payable before the deduction of tax	23	44811	43219
Taxation	24	(4246)	(12357)
Other expenditure	25	103506	95806
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>3868890</b>	<b>2460167</b>

Business transfers - in	31	52684	3265457
Business transfers - out	32	16	1
Increase (decrease) in fund in financial year (19-29+31-32)	39	2059431	5778266
Fund brought forward	49	25208923	19430657
Fund carried forward (39+49)	59	27268355	25208923

**Long-term insurance business : Revenue account**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Income**

Earned premiums	11	2154	3097
Investment income receivable before deduction of tax	12	9558	10446
Increase (decrease) in the value of non-linked assets brought into account	13	9588	17926
Increase (decrease) in the value of linked assets	14		
Other income	15		
<b>Total income</b>	<b>19</b>	<b>21300</b>	<b>31468</b>

**Expenditure**

Claims incurred	21	29285	32544
Expenses payable	22	3883	3686
Interest payable before the deduction of tax	23	85	61
Taxation	24	(772)	5777
Other expenditure	25	1340	1474
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>33820</b>	<b>43542</b>

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(12520)	(12073)
Fund brought forward	49	124197	136270
Fund carried forward (39+49)	59	111677	124197

**Long-term insurance business : Revenue account**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **United Friendly OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Income**

Earned premiums	11	4245	5148
Investment income receivable before deduction of tax	12	91884	92460
Increase (decrease) in the value of non-linked assets brought into account	13	8160	55721
Increase (decrease) in the value of linked assets	14		
Other income	15	142	23
<b>Total income</b>	<b>19</b>	<b>104431</b>	<b>153351</b>

**Expenditure**

Claims incurred	21	108899	73596
Expenses payable	22	10166	6413
Interest payable before the deduction of tax	23	41	46
Taxation	24	137	3916
Other expenditure	25	2175	(9)
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>121417</b>	<b>83962</b>

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(16987)	69389
Fund brought forward	49	1539361	1469972
Fund carried forward (39+49)	59	1522374	1539361

**Long-term insurance business : Revenue account**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **United Friendly IB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Income**

Earned premiums	11	9958	11402
Investment income receivable before deduction of tax	12	40785	40820
Increase (decrease) in the value of non-linked assets brought into account	13	9796	15523
Increase (decrease) in the value of linked assets	14		
Other income	15	62	58
<b>Total income</b>	<b>19</b>	<b>60601</b>	<b>67803</b>

**Expenditure**

Claims incurred	21	57066	50501
Expenses payable	22	7987	6602
Interest payable before the deduction of tax	23	5	1
Taxation	24	3586	18683
Other expenditure	25	2868	2223
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>71512</b>	<b>78009</b>

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(10911)	(10206)
Fund brought forward	49	446886	457092
Fund carried forward (39+49)	59	435976	446886

**Long-term insurance business : Revenue account**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Scottish Life Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

**Income**

Earned premiums	11	8180	11790
Investment income receivable before deduction of tax	12	67455	66570
Increase (decrease) in the value of non-linked assets brought into account	13	(30050)	477142
Increase (decrease) in the value of linked assets	14	8502	15798
Other income	15	3082	231
<b>Total income</b>	<b>19</b>	<b>57169</b>	<b>571531</b>

**Expenditure**

Claims incurred	21	170123	173962
Expenses payable	22	7546	4035
Interest payable before the deduction of tax	23	21	14
Taxation	24	382	2343
Other expenditure	25	11679	12659
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>189751</b>	<b>193013</b>

Business transfers - in	31		
Business transfers - out	32	48213	44478
Increase (decrease) in fund in financial year (19-29+31-32)	39	(180795)	334040
Fund brought forward	49	2375224	2041184
Fund carried forward (39+49)	59	2194429	2375224

**Long-term insurance business : Revenue account**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **PLAL With-Profits Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

**Income**

Earned premiums	11	12578	13806
Investment income receivable before deduction of tax	12	25780	26735
Increase (decrease) in the value of non-linked assets brought into account	13	5580	14041
Increase (decrease) in the value of linked assets	14		
Other income	15		
<b>Total income</b>	<b>19</b>	<b>43938</b>	<b>54582</b>

**Expenditure**

Claims incurred	21	59577	62077
Expenses payable	22	160	112
Interest payable before the deduction of tax	23		
Taxation	24	(798)	4899
Other expenditure	25	6377	13460
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>65316</b>	<b>80547</b>

Business transfers - in	31	16	1
Business transfers - out	32	4471	2468
Increase (decrease) in fund in financial year (19-29+31-32)	39	(25833)	(28432)
Fund brought forward	49	455452	483884
Fund carried forward (39+49)	59	429619	455452

**Long-term insurance business : Revenue account**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal Liver Assurance Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

**Income**

Earned premiums	11	35105	47433
Investment income receivable before deduction of tax	12	61097	72480
Increase (decrease) in the value of non-linked assets brought into account	13	(17137)	52206
Increase (decrease) in the value of linked assets	14	4348	8961
Other income	15	197	1451
<b>Total income</b>	<b>19</b>	<b>83610</b>	<b>182532</b>

**Expenditure**

Claims incurred	21	242032	233271
Expenses payable	22	35111	36467
Interest payable before the deduction of tax	23	25	222
Taxation	24	219	(109)
Other expenditure	25	3492	12649
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>280879</b>	<b>282500</b>

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(197268)	(99969)
Fund brought forward	49	1790959	1890928
Fund carried forward (39+49)	59	1593691	1790959

**Long-term insurance business : Revenue account**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) Ordinary and Industrial Life**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

**Income**

Earned premiums	11	306387	
Investment income receivable before deduction of tax	12	535625	
Increase (decrease) in the value of non-linked assets brought into account	13	(696559)	60871
Increase (decrease) in the value of linked assets	14	19141	
Other income	15	3788	
<b>Total income</b>	<b>19</b>	<b>168382</b>	<b>60871</b>

**Expenditure**

Claims incurred	21	970118	
Expenses payable	22	120922	
Interest payable before the deduction of tax	23	304	
Taxation	24	(16002)	3671
Other expenditure	25	45948	
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>1121290</b>	<b>3671</b>

Business transfers - in	31		10295335
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(952908)	10352535
Fund brought forward	49	10352535	
Fund carried forward (39+49)	59	9399628	10352535

**Long-term insurance business : Revenue account**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) With-Profits Stakeholder**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

**Income**

Earned premiums	11	17397	
Investment income receivable before deduction of tax	12	12910	
Increase (decrease) in the value of non-linked assets brought into account	13	5204	(489)
Increase (decrease) in the value of linked assets	14		
Other income	15		
<b>Total income</b>	<b>19</b>	<b>35511</b>	<b>(489)</b>

**Expenditure**

Claims incurred	21	25073	
Expenses payable	22	197	
Interest payable before the deduction of tax	23		
Taxation	24		
Other expenditure	25	3671	
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>28941</b>	

Business transfers - in	31		314361
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	6570	313873
Fund brought forward	49	313873	
Fund carried forward (39+49)	59	320443	313873

**Long-term insurance business : Revenue account**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) With-Profits Pension**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Income**

Earned premiums	11	285	
Investment income receivable before deduction of tax	12	155	
Increase (decrease) in the value of non-linked assets brought into account	13	68	(6)
Increase (decrease) in the value of linked assets	14		
Other income	15	480	
<b>Total income</b>	<b>19</b>	<b>988</b>	<b>(6)</b>

**Expenditure**

Claims incurred	21	311	
Expenses payable	22	539	
Interest payable before the deduction of tax	23		
Taxation	24		
Other expenditure	25		
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>850</b>	

Business transfers - in	31		4078
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	138	4072
Fund brought forward	49	4072	
Fund carried forward (39+49)	59	4210	4072

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Summary**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Regular premiums	<b>11</b>	671208	1102444	59432	1833085	1487672
Single premiums	<b>12</b>	147456	3568165	1673	3717294	2251622

**Reinsurance - external**

Regular premiums	<b>13</b>	252169	1015	23855	277039	264095
Single premiums	<b>14</b>	74	251736		251810	228803

**Reinsurance - intra-group**

Regular premiums	<b>15</b>					
Single premiums	<b>16</b>					

**Net of reinsurance**

Regular premiums	<b>17</b>	419039	1101430	35577	1556046	1223576
Single premiums	<b>18</b>	147382	3316430	1673	3465484	2022819

**Total**

Gross	<b>19</b>	818665	4670610	61105	5550379	3739293
Reinsurance	<b>20</b>	252243	252750	23855	528849	492898
Net	<b>21</b>	566421	4417859	37250	5021531	3246395

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London IB & OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Regular premiums	<b>11</b>	539585	1000638	26572	1566795	1363786
Single premiums	<b>12</b>	134544	3431925		3566469	2262011

**Reinsurance - external**

Regular premiums	<b>13</b>	221341	214	10303	231858	226742
Single premiums	<b>14</b>	74	251736		251810	228803

**Reinsurance - intra-group**

Regular premiums	<b>15</b>					
Single premiums	<b>16</b>					

**Net of reinsurance**

Regular premiums	<b>17</b>	318244	1000424	16268	1334937	1137044
Single premiums	<b>18</b>	134470	3180189		3314659	2033208

**Total**

Gross	<b>19</b>	674129	4432563	26572	5133264	3625797
Reinsurance	<b>20</b>	221415	251950	10303	483668	455545
Net	<b>21</b>	452714	4180613	16268	4649596	3170252

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Regular premiums	11	2154			2154	3097
Single premiums	12					

**Reinsurance - external**

Regular premiums	13					
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	2154			2154	3097
Single premiums	18					

**Total**

Gross	19	2154			2154	3097
Reinsurance	20					
Net	21	2154			2154	3097

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **United Friendly OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Regular premiums	11	2109	2113		4222	4802
Single premiums	12		23		23	347

**Reinsurance - external**

Regular premiums	13					
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	2109	2113		4222	4802
Single premiums	18		23		23	347

**Total**

Gross	19	2109	2136		4245	5148
Reinsurance	20					
Net	21	2109	2136		4245	5148

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **United Friendly IB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Regular premiums	11	9958			9958	11402
Single premiums	12					

**Reinsurance - external**

Regular premiums	13					
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	9958			9958	11402
Single premiums	18					

**Total**

Gross	19	9958			9958	11402
Reinsurance	20					
Net	21	9958			9958	11402

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Scottish Life Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Regular premiums	11	1860	5893		7753	9523
Single premiums	12		435		435	2278

**Reinsurance - external**

Regular premiums	13	6	1		7	11
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	1854	5891		7745	9512
Single premiums	18		435		435	2278

**Total**

Gross	19	1860	6328		8187	11801
Reinsurance	20	6	1		7	11
Net	21	1854	6326		8180	11790

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **PLAL With-Profits Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Regular premiums	11	9191	3387		12578	13806
Single premiums	12					

**Reinsurance - external**

Regular premiums	13					
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	9191	3387		12578	13806
Single premiums	18					

**Total**

Gross	19	9191	3387		12578	13806
Reinsurance	20					
Net	21	9191	3387		12578	13806

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal Liver Assurance Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Regular premiums	11	31049	3864	32860	67773	81256
Single premiums	12		21	1673	1693	3519

**Reinsurance - external**

Regular premiums	13	20810		13551	34362	37342
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	10238	3864	19309	33412	43914
Single premiums	18		21	1673	1693	3519

**Total**

Gross	19	31049	3885	34533	69467	84775
Reinsurance	20	20810		13551	34362	37342
Net	21	10238	3885	20982	35105	47433

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) Ordinary and Industrial Life**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Regular premiums	11	75303	75297		150600	
Single premiums	12	12912	153687		166599	

**Reinsurance - external**

Regular premiums	13	10012	799		10812	
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	65291	74497		139788	
Single premiums	18	12912	153687		166599	

**Total**

Gross	19	88215	228984		317199	
Reinsurance	20	10012	799		10812	
Net	21	78203	228184		306387	

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) With-Profits Stakeholder**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Regular premiums	11		11028		11028	
Single premiums	12		6369		6369	

**Reinsurance - external**

Regular premiums	13					
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17		11028		11028	
Single premiums	18		6369		6369	

**Total**

Gross	19		17397		17397	
Reinsurance	20					
Net	21		17397		17397	

**Long-term insurance business : Analysis of premiums**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) With-Profits Pension**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Regular premiums	11		225		225	
Single premiums	12		60		60	

**Reinsurance - external**

Regular premiums	13					
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17		225		225	
Single premiums	18		60		60	

**Total**

Gross	19		285		285	
Reinsurance	20					
Net	21		285		285	

**Long-term insurance business : Analysis of claims**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Summary**  
Financial year ended **31 December 2015**  
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	591999	90420	32809	715228	448047
Disability periodic payments	12	45438		676	46114	28722
Surrender or partial surrender	13	214141	2885655	117804	3217600	1580720
Annuity payments	14	351	266924	4548	271822	39339
Lump sums on maturity	15	433179	720598	42027	1195804	714556
<b>Total</b>	<b>16</b>	<b>1285108</b>	<b>3963596</b>	<b>197864</b>	<b>5446568</b>	<b>2811384</b>

**Reinsurance - external**

Death or disability lump sums	21	232591	1383	18940	252914	202335
Disability periodic payments	22	5012			5012	6397
Surrender or partial surrender	23	447	34030		34478	501
Annuity payments	24		211220		211220	18382
Lump sums on maturity	25					48
<b>Total</b>	<b>26</b>	<b>238050</b>	<b>246633</b>	<b>18940</b>	<b>503623</b>	<b>227662</b>

**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					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Death or disability lump sums	41	359408	89037	13869	462314	245712
Disability periodic payments	42	40426		676	41102	22325
Surrender or partial surrender	43	213694	2851624	117804	3183123	1580220
Annuity payments	44	351	55704	4548	60603	20957
Lump sums on maturity	45	433179	720598	42027	1195804	714508
<b>Total</b>	<b>46</b>	<b>1047057</b>	<b>3716963</b>	<b>178924</b>	<b>4942945</b>	<b>2583722</b>

**Long-term insurance business : Analysis of claims**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London IB & OB Subfund**  
 Financial year ended **31 December 2015**  
 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	318083	68295	3721	390099	318268
Disability periodic payments	12	23950		427	24377	27416
Surrender or partial surrender	13	74710	2269465	14621	2358797	1290489
Annuity payments	14	63	34531		34594	30432
Lump sums on maturity	15	197414	539755		737169	508013
<b>Total</b>	<b>16</b>	<b>614220</b>	<b>2912047</b>	<b>18769</b>	<b>3545035</b>	<b>2174617</b>

**Reinsurance - external**

Death or disability lump sums	21	209546		2957	212503	175825
Disability periodic payments	22	4392			4392	5604
Surrender or partial surrender	23	447			447	501
Annuity payments	24		22878		22878	18382
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>214385</b>	<b>22878</b>	<b>2957</b>	<b>240221</b>	<b>200312</b>

**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					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Death or disability lump sums	41	108537	68295	764	177596	142443
Disability periodic payments	42	19558		427	19985	21812
Surrender or partial surrender	43	74263	2269465	14621	2358349	1289988
Annuity payments	44	63	11653		11716	12050
Lump sums on maturity	45	197414	539755		737169	508013
<b>Total</b>	<b>46</b>	<b>399835</b>	<b>2889168</b>	<b>15812</b>	<b>3304815</b>	<b>1974305</b>

**Long-term insurance business : Analysis of claims**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2015**  
 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	12737			12737	11943
Disability periodic payments	12					
Surrender or partial surrender	13	836			836	867
Annuity payments	14					
Lump sums on maturity	15	15712			15712	19734
<b>Total</b>	16	29285			29285	32544

**Reinsurance - external**

Death or disability lump sums	21					
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	26					

**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					
<b>Total</b>	36					

**Net of reinsurance**

Death or disability lump sums	41	12737			12737	11943
Disability periodic payments	42					
Surrender or partial surrender	43	836			836	867
Annuity payments	44					
Lump sums on maturity	45	15712			15712	19734
<b>Total</b>	46	29285			29285	32544

**Long-term insurance business : Analysis of claims**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **United Friendly OB Subfund**  
 Financial year ended **31 December 2015**  
 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	2892	3381		6273	7121
Disability periodic payments	12					
Surrender or partial surrender	13	1176	44830		46006	40826
Annuity payments	14					
Lump sums on maturity	15	11065	45556		56621	25649
<b>Total</b>	16	15132	93767		108899	73596

**Reinsurance - external**

Death or disability lump sums	21					
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	26					

**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					
<b>Total</b>	36					

**Net of reinsurance**

Death or disability lump sums	41	2892	3381		6273	7121
Disability periodic payments	42					
Surrender or partial surrender	43	1176	44830		46006	40826
Annuity payments	44					
Lump sums on maturity	45	11065	45556		56621	25649
<b>Total</b>	46	15132	93767		108899	73596

**Long-term insurance business : Analysis of claims**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **United Friendly IB Subfund**  
 Financial year ended **31 December 2015**  
 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	48997			48997	41124
Disability periodic payments	12					
Surrender or partial surrender	13	5783			5783	5796
Annuity payments	14					
Lump sums on maturity	15	2286			2286	3582
<b>Total</b>	16	57066			57066	50501

**Reinsurance - external**

Death or disability lump sums	21					
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	26					

**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					
<b>Total</b>	36					

**Net of reinsurance**

Death or disability lump sums	41	48997			48997	41124
Disability periodic payments	42					
Surrender or partial surrender	43	5783			5783	5796
Annuity payments	44					
Lump sums on maturity	45	2286			2286	3582
<b>Total</b>	46	57066			57066	50501

**Long-term insurance business : Analysis of claims**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Scottish Life Fund**  
 Financial year ended **31 December 2015**  
 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	1901	3677		5578	5313
Disability periodic payments	12	582			582	773
Surrender or partial surrender	13	2720	102563		105283	101204
Annuity payments	14		24354		24354	16533
Lump sums on maturity	15	13059	21848		34907	50961
<b>Total</b>	<b>16</b>	<b>18263</b>	<b>152442</b>		<b>170705</b>	<b>174785</b>

**Reinsurance - external**

Death or disability lump sums	21					
Disability periodic payments	22	582			582	776
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					48
<b>Total</b>	<b>26</b>	<b>582</b>			<b>582</b>	<b>823</b>

**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					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Death or disability lump sums	41	1901	3677		5578	5313
Disability periodic payments	42					(3)
Surrender or partial surrender	43	2720	102563		105283	101204
Annuity payments	44		24354		24354	16533
Lump sums on maturity	45	13059	21848		34907	50913
<b>Total</b>	<b>46</b>	<b>17681</b>	<b>152442</b>		<b>170123</b>	<b>173962</b>

**Long-term insurance business : Analysis of claims**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **PLAL With-Profits Fund**  
 Financial year ended **31 December 2015**  
 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	7664	433		8097	6904
Disability periodic payments	12					
Surrender or partial surrender	13	20259	11838		32096	29192
Annuity payments	14					
Lump sums on maturity	15	19383			19383	25980
<b>Total</b>	16	47306	12271		59577	62077

**Reinsurance - external**

Death or disability lump sums	21					
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	26					

**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					
<b>Total</b>	36					

**Net of reinsurance**

Death or disability lump sums	41	7664	433		8097	6904
Disability periodic payments	42					
Surrender or partial surrender	43	20259	11838		32096	29192
Annuity payments	44					
Lump sums on maturity	45	19383			19383	25980
<b>Total</b>	46	47306	12271		59577	62077

**Long-term insurance business : Analysis of claims**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal Liver Assurance Fund**  
 Financial year ended **31 December 2015**  
 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	33729	3693	29088	66509	57374
Disability periodic payments	12	14		249	263	533
Surrender or partial surrender	13	5540	30278	103183	139001	112346
Annuity payments	14	288	3787	4548	8622	8907
Lump sums on maturity	15	17405	80	42027	59512	80638
<b>Total</b>	<b>16</b>	<b>56976</b>	<b>37837</b>	<b>179095</b>	<b>273908</b>	<b>259798</b>

**Reinsurance - external**

Death or disability lump sums	21	15881		15983	31864	26510
Disability periodic payments	22	13			13	17
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>15893</b>		<b>15983</b>	<b>31876</b>	<b>26527</b>

**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					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Death or disability lump sums	41	17848	3693	13105	34646	30864
Disability periodic payments	42	2		249	251	516
Surrender or partial surrender	43	5540	30278	103183	139001	112346
Annuity payments	44	288	3787	4548	8622	8907
Lump sums on maturity	45	17405	80	42027	59512	80638
<b>Total</b>	<b>46</b>	<b>41082</b>	<b>37837</b>	<b>163113</b>	<b>242032</b>	<b>233271</b>

**Long-term insurance business : Analysis of claims**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) Ordinary and Industrial Life**  
 Financial year ended **31 December 2015**  
 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	165996	10211		176207	
Disability periodic payments	12	20891			20891	
Surrender or partial surrender	13	103118	402027		505145	
Annuity payments	14		228606		228606	
Lump sums on maturity	15	156854	113360		270213	
<b>Total</b>	<b>16</b>	<b>446859</b>	<b>754203</b>		<b>1201063</b>	

**Reinsurance - external**

Death or disability lump sums	21	7164	1383		8547	
Disability periodic payments	22	26			26	
Surrender or partial surrender	23		34030		34030	
Annuity payments	24		188341		188341	
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>7189</b>	<b>223755</b>		<b>230944</b>	

**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					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Death or disability lump sums	41	158832	8828		167660	
Disability periodic payments	42	20866			20866	
Surrender or partial surrender	43	103118	367996		471115	
Annuity payments	44		40264		40264	
Lump sums on maturity	45	156854	113360		270213	
<b>Total</b>	<b>46</b>	<b>439670</b>	<b>530448</b>		<b>970118</b>	

**Long-term insurance business : Analysis of claims**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) With-Profits Stakeholder**  
 Financial year ended **31 December 2015**  
 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		730		730	
Disability periodic payments	12					
Surrender or partial surrender	13		24343		24343	
Annuity payments	14					
Lump sums on maturity	15					
<b>Total</b>	16		25073		25073	

**Reinsurance - external**

Death or disability lump sums	21					
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	26					

**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					
<b>Total</b>	36					

**Net of reinsurance**

Death or disability lump sums	41		730		730	
Disability periodic payments	42					
Surrender or partial surrender	43		24343		24343	
Annuity payments	44					
Lump sums on maturity	45					
<b>Total</b>	46		25073		25073	

**Long-term insurance business : Analysis of claims**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) With-Profits Pension**  
 Financial year ended **31 December 2015**  
 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					
Disability periodic payments	12					
Surrender or partial surrender	13		311		311	
Annuity payments	14					
Lump sums on maturity	15					
<b>Total</b>	16		311		311	

**Reinsurance - external**

Death or disability lump sums	21					
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	26					

**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					
<b>Total</b>	36					

**Net of reinsurance**

Death or disability lump sums	41					
Disability periodic payments	42					
Surrender or partial surrender	43		311		311	
Annuity payments	44					
Lump sums on maturity	45					
<b>Total</b>	46		311		311	

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Summary**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Commission - acquisition	11	90661	8790	9235	108686	67535
Commission - other	12	7412	27774	2060	37247	37789
Management - acquisition	13	69677	64201	6317	140196	142410
Management - maintenance	14	107036	131091	12320	250447	144340
Management - other	15	12227	54444	3267	69939	24433
<b>Total</b>	<b>16</b>	<b>287014</b>	<b>286301</b>	<b>33200</b>	<b>606514</b>	<b>416508</b>

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41	90661	8790	9235	108686	67535
Commission - other	42	7412	27774	2060	37247	37789
Management - acquisition	43	69677	64201	6317	140196	142410
Management - maintenance	44	107036	131091	12320	250447	144340
Management - other	45	12227	54444	3267	69939	24433
<b>Total</b>	<b>46</b>	<b>287014</b>	<b>286301</b>	<b>33200</b>	<b>606514</b>	<b>416508</b>

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**

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

**Gross**

Commission - acquisition	11	89182	8773	9217	107172	67497
Commission - other	12	6806	27764	481	35051	35188
Management - acquisition	13	69065	64113	6317	139495	142404
Management - maintenance	14	36805	59097	286	96188	87807
Management - other	15	9402	31121	1575	42098	26298
<b>Total</b>	<b>16</b>	<b>211260</b>	<b>190867</b>	<b>17877</b>	<b>420004</b>	<b>359194</b>

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41	89182	8773	9217	107172	67497
Commission - other	42	6806	27764	481	35051	35188
Management - acquisition	43	69065	64113	6317	139495	142404
Management - maintenance	44	36805	59097	286	96188	87807
Management - other	45	9402	31121	1575	42098	26298
<b>Total</b>	<b>46</b>	<b>211260</b>	<b>190867</b>	<b>17877</b>	<b>420004</b>	<b>359194</b>

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2015**  
 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					
Management - maintenance	14	3535		3535	3686	
Management - other	15	348		348		
<b>Total</b>	<b>16</b>	<b>3883</b>		<b>3883</b>	<b>3686</b>	

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41					
Commission - other	42					
Management - acquisition	43					
Management - maintenance	44	3535		3535	3686	
Management - other	45	348		348		
<b>Total</b>	<b>46</b>	<b>3883</b>		<b>3883</b>	<b>3686</b>	

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **United Friendly OB Subfund**  
 Financial year ended **31 December 2015**  
 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					
Management - maintenance	14	961	6450		7411	6413
Management - other	15	358	2397		2755	
<b>Total</b>	<b>16</b>	<b>1319</b>	<b>8847</b>		<b>10166</b>	<b>6413</b>

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41					
Commission - other	42					
Management - acquisition	43					
Management - maintenance	44	961	6450		7411	6413
Management - other	45	358	2397		2755	
<b>Total</b>	<b>46</b>	<b>1319</b>	<b>8847</b>		<b>10166</b>	<b>6413</b>

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **United Friendly IB Subfund**  
 Financial year ended **31 December 2015**  
 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					
Management - maintenance	14	6728		6728	6602	
Management - other	15	1259		1259		
<b>Total</b>	<b>16</b>	<b>7987</b>		<b>7987</b>	<b>6602</b>	

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41					
Commission - other	42					
Management - acquisition	43					
Management - maintenance	44	6728		6728	6602	
Management - other	45	1259		1259		
<b>Total</b>	<b>46</b>	<b>7987</b>		<b>7987</b>	<b>6602</b>	

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Scottish Life Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Commission - acquisition	11	0	16		17	14
Commission - other	12	19	10		29	(46)
Management - acquisition	13					
Management - maintenance	14	608	3693		4302	4066
Management - other	15		3198		3198	
<b>Total</b>	<b>16</b>	<b>627</b>	<b>6918</b>		<b>7546</b>	<b>4035</b>

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41	0	16		17	14
Commission - other	42	19	10		29	(46)
Management - acquisition	43					
Management - maintenance	44	608	3693		4302	4066
Management - other	45		3198		3198	
<b>Total</b>	<b>46</b>	<b>627</b>	<b>6918</b>		<b>7546</b>	<b>4035</b>

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **PLAL With-Profits Fund**  
 Financial year ended **31 December 2015**  
 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					
Management - maintenance	14	99	62	160	112	
Management - other	15					
<b>Total</b>	<b>16</b>	99	62	160	112	

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41					
Commission - other	42					
Management - acquisition	43					
Management - maintenance	44	99	62	160	112	
Management - other	45					
<b>Total</b>	<b>46</b>	99	62	160	112	

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal Liver Assurance Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Commission - acquisition	11			18	18	24
Commission - other	12	587		1579	2166	2647
Management - acquisition	13	8			8	6
Management - maintenance	14	14322	4008	12034	30364	35656
Management - other	15	861	2	1693	2555	(1865)
<b>Total</b>	<b>16</b>	<b>15778</b>	<b>4010</b>	<b>15323</b>	<b>35111</b>	<b>36467</b>

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41			18	18	24
Commission - other	42	587		1579	2166	2647
Management - acquisition	43	8			8	6
Management - maintenance	44	14322	4008	12034	30364	35656
Management - other	45	861	2	1693	2555	(1865)
<b>Total</b>	<b>46</b>	<b>15778</b>	<b>4010</b>	<b>15323</b>	<b>35111</b>	<b>36467</b>

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) Ordinary and Industrial Life**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Commission - acquisition	11	1479	1		1480	
Commission - other	12					
Management - acquisition	13	604	8		612	
Management - maintenance	14	43978	57126		101104	
Management - other	15		17727		17727	
<b>Total</b>	<b>16</b>	<b>46061</b>	<b>74861</b>		<b>120922</b>	

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41	1479	1		1480	
Commission - other	42					
Management - acquisition	43	604	8		612	
Management - maintenance	44	43978	57126		101104	
Management - other	45		17727		17727	
<b>Total</b>	<b>46</b>	<b>46061</b>	<b>74861</b>		<b>120922</b>	

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) With-Profits Stakeholder**  
 Financial year ended **31 December 2015**  
 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					
Management - maintenance	14		197		197	
Management - other	15					
<b>Total</b>	<b>16</b>		197		197	

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41					
Commission - other	42					
Management - acquisition	43					
Management - maintenance	44		197		197	
Management - other	45					
<b>Total</b>	<b>46</b>		197		197	

**Long-term insurance business : Analysis of expenses**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) With-Profits Pension**  
 Financial year ended **31 December 2015**  
 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		81		81	
Management - maintenance	14		459		459	
Management - other	15					
<b>Total</b>	<b>16</b>		539		539	

**Reinsurance - external**

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
<b>Total</b>	<b>26</b>					

**Reinsurance - intra-group**

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Commission - acquisition	41					
Commission - other	42					
Management - acquisition	43		81		81	
Management - maintenance	44		459		459	
Management - other	45					
<b>Total</b>	<b>46</b>		539		539	

**Long-term insurance business : Linked funds balance sheet**

Name of insurer **The Royal London Mutual Insurance Society Limited**

Total business

Financial year ended **31 December 2015**

Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

**Internal linked funds (excluding cross investment)**

Directly held assets (excluding collective investment schemes)	11	10204463	9938065
Directly held assets in collective investment schemes of connected companies	12	11911442	10172386
Directly held assets in other collective investment schemes	13	2714681	2598334
<b>Total assets (excluding cross investment) (11+12+ 13)</b>	<b>14</b>	<b>24830586</b>	<b>22708785</b>
Provision for tax on unrealised capital gains	15	(49)	(3)
Secured and unsecured loans	16		
Other liabilities	17	103579	93418
<b>Total net assets (14-15-16-17)</b>	<b>18</b>	<b>24727056</b>	<b>22615370</b>

**Directly held linked assets**

Value of directly held linked assets	21		
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**Total**

Value of directly held linked assets and units held (18+21)	31	24727056	22615370
Surplus units	32	121071	46580
Deficit units	33		
<b>Net unit liability (31-32+33)</b>	<b>34</b>	<b>24605984</b>	<b>22568790</b>

**Long-term insurance business : Revenue account for internal linked funds**

Name of insurer **The Royal London Mutual Insurance Society Limited**

Total business

Financial year ended **31 December 2015**

Units **£000**

Financial year 1	Previous year 2
---------------------	--------------------

**Income**

Value of total creation of units	11	4381594	2327365
Investment income attributable to the funds before deduction of tax	12	665570	458498
Increase (decrease) in the value of investments in the financial year	13	57024	797576
Other income	14	381	3656844
<b>Total income</b>	<b>19</b>	<b>5104568</b>	<b>7240283</b>

**Expenditure**

Value of total cancellation of units	21	2823086	906223
Charges for management	22	166697	130106
Charges in respect of tax on investment income	23	(12307)	10938
Taxation on realised capital gains	24	2259	136
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25	12436	6
Other expenditure	26	711	1428
<b>Total expenditure</b>	<b>29</b>	<b>2992883</b>	<b>1048838</b>

Increase (decrease) in funds in financial year (19-29)	39	2111686	6191444
Internal linked fund brought forward	49	22615370	16423926
Internal linked funds carried forward (39+49)	59	24727056	22615370

**Long-term insurance business : Summary of new business**

Name of insurer **The Royal London Mutual Insurance Society Limited**

Total business

Financial year ended **31 December 2015**

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	<b>11</b>	95464	178409	22173	296046	216868
Single premium business	<b>12</b>	42883	28503	65	71451	21094
<b>Total</b>	<b>13</b>	138347	206912	22238	367497	237962

**Amount of new regular  
premiums**

Direct insurance business	<b>21</b>	53157	385774	6420	445351	357399
External reinsurance	<b>22</b>					
Intra-group reinsurance	<b>23</b>					
<b>Total</b>	<b>24</b>	53157	385774	6420	445351	357399

**Amount of new single  
premiums**

Direct insurance business	<b>25</b>	147456	3592519	1673	3741648	2268155
External reinsurance	<b>26</b>					
Intra-group reinsurance	<b>27</b>					
<b>Total</b>	<b>28</b>	147456	3592519	1673	3741648	2268155

Long-term insurance business : Analysis of new business

Name of insurer

The Royal London Mutual Insurance Society Limited

Total business

Financial year ended

31 December 2015

Units

£000

UK Life / Direct Insurance Business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
300	Regular premium non-profit WL/EA OB	11561	4869		
325	Level term assurance	35311	13289		
330	Decreasing term assurance	21879	6676		
340	Accelerated critical illness (guaranteed premiums)	20793	19187		
345	Accelerated critical illness (reviewable premiums)	1278	1652		
350	Stand-alone critical illness (guaranteed premiums)	877	2360		
355	Stand-alone critical illness (reviewable premiums)	91	262		
360	Income protection non-profit (guaranteed premiums)	2048	1688		
365	Income protection non-profit (reviewable premiums)	33	68		
380	Miscellaneous protection rider		330		
500	Life UWP single premium			42838	146501
505	Life UWP whole life regular premium	39	49		
506	Life UWP whole life regular premium (ISA)		150		
515	Life UWP endowment regular premium - target cash		4		
575	Miscellaneous UWP (single premium ISA)			39	956

**The Royal London Mutual Insurance Society Limited**

31 December 2015

£000

UK Life / Direct Insurance Business

[illegible]

Long-term insurance business : Analysis of new business

Name of insurer

The Royal London Mutual Insurance Society Limited

Total business

Financial year ended

31 December 2015

Units

£000

UK Pension / Direct Insurance Business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
160	Conventional pensions endowment with-profits - increments		3		23
185	Group conventional pensions endowment with-profits	12	33	13	
190	Group conventional pensions endowment with-profits - increments		152		
390	Deferred annuity non-profit				24
400	Annuity non-profit (CPA)			4014	233659
410	Group Life	1	4		
420	Group income protection		0		
435	Miscellaneous non-profit	140	4		
525	Individual pensions UWP	396	454	9	1624
530	Individual pensions UWP - increments	6	481		5737
535	Group money purchase pensions UWP		2		312
540	Group money purchase pensions UWP - increments		16		61
550	Individual deposit administration with-profits - increments		7		
555	Group deposit administration with-profits	1	8		285
560	Group deposit administration with-profits - increments		13		

Long-term insurance business : Analysis of new business

Name of insurer

The Royal London Mutual Insurance Society Limited

Total business

Financial year ended

31 December 2015

Units

£000

UK Pension / Direct Insurance Business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
565	DWP National Insurance Rebates UWP				68
580	Term assurance rider		14		
605	Miscellaneous protection rider		114		
725	Individual Pensions Property Linked	176836	320483	24177	1838227
730	Individual Pensions Property Linked - Increments		60779		1243350
735	Group money purchase pensions property linked	1017	2776	267	64972
740	Group money purchase pensions property linked - increments		432		3319
745	DWP National Insurance rebates property linked				10
750	Income drawdown property linked			15	707
755	Trustee investment plan				199769
905	Index Linked Annuity			8	371

**Long-term insurance business : Analysis of new business**

Name of insurer

**The Royal London Mutual Insurance Society Limited**

Total business

Financial year ended

**31 December 2015**

Units

**£000**

Overseas / Direct Insurance Business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
325	Level term assurance	5245	1746		
330	Decreasing term assurance	9095	1861		
340	Accelerated critical illness (guaranteed premiums)	3215	1079		
345	Accelerated critical illness (reviewable premiums)		0		
350	Stand-alone critical illness (guaranteed premiums)	1264	470		
355	Stand-alone critical illness (reviewable premiums)		2		
360	Income protection non-profit (guaranteed premiums)	474	425		
380	Miscellaneous protection rider		1		
400	Annuity non-profit (CPA)			65	1673
435	Miscellaneous non-profit	2874	831		
910	Miscellaneous index linked	6	5		

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **Total long term insurance business assets**  
 Financial year ended **31 December 2015**  
 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	24361	24112	1318	5.46	
Approved fixed interest securities	12	1017175	1017175	31526	2.24	
Other fixed interest securities	13	951137	975883	46853	3.86	
Variable interest securities	14	17741	17741	192	2.59	
UK listed equity shares	15	112582	112518	4293	4.45	
Non-UK listed equity shares	16	31711	37098	831	3.52	
Unlisted equity shares	17					
Other assets	18	(55692)	(85514)	975	3.90	
<b>Total</b>	<b>19</b>	<b>2099014</b>	<b>2099014</b>	<b>85987</b>	<b>3.11</b>	

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

Land and buildings	21	2857796	3234101	141019	4.36	16.76
Approved fixed interest securities	22	10247314	10335714	325121	2.46	0.32
Other fixed interest securities	23	4619328	4985403	238311	4.06	2.14
Variable interest securities	24	3106872	3584581	6189	0.22	(0.17)
UK listed equity shares	25	4770508	4960841	178654	4.57	4.79
Non-UK listed equity shares	26	1854180	2787503	48574	3.42	14.62
Unlisted equity shares	27	244472	765192	1080	0.13	12.85
Other assets	28	8674149	5721282	8896	0.23	(0.02)
<b>Total</b>	<b>29</b>	<b>36374617</b>	<b>36374617</b>	<b>947843</b>	<b>2.59</b>	<b>5.57</b>

**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 : Assets not held to match linked liabilities**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Category of assets **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
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	5773	5242	202	3.85	
Approved fixed interest securities	12	431303	431303	13567	2.61	
Other fixed interest securities	13	467640	466938	22924	3.58	
Variable interest securities	14	12190	12190	110	(0.74)	
UK listed equity shares	15	14558	14558	557	4.91	
Non-UK listed equity shares	16	3334	3334	69	3.20	
Unlisted equity shares	17					
Other assets	18	(222513)	(221280)		2.17	
<b>Total</b>	<b>19</b>	<b>712286</b>	<b>712286</b>	<b>37428</b>	<b>3.39</b>	

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

Land and buildings	21	717753	840601	31671	3.77	15.32
Approved fixed interest securities	22	1662384	1714731	52649	2.46	0.75
Other fixed interest securities	23	805660	885848	45076	4.26	1.30
Variable interest securities	24	156346	438601	2741	0.62	(0.32)
UK listed equity shares	25	1514368	1518047	55022	4.68	1.90
Non-UK listed equity shares	26	327088	725442	6814	3.56	6.11
Unlisted equity shares	27	143618	170501			21.73
Other assets	28	2013596	1047040	2866	0.73	0.34
<b>Total</b>	<b>29</b>	<b>7340812</b>	<b>7340812</b>	<b>196839</b>	<b>2.98</b>	<b>4.23</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					4.14
Return allocated to non taxable 'asset shares'	32					4.14
Return allocated to taxable 'asset shares'	33					3.75

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2015**  
 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	1756	1756	55	2.62	
Other fixed interest securities	13	7693	7693	394	4.46	
Variable interest securities	14					
UK listed equity shares	15	16017	16017	611	4.90	
Non-UK listed equity shares	16	4304	4304	90	3.20	
Unlisted equity shares	17					
Other assets	18					
<b>Total</b>	<b>19</b>	<b>29770</b>	<b>29770</b>	<b>1150</b>	<b>4.41</b>	

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

Land and buildings	21		1126	29	2.61	8.06
Approved fixed interest securities	22	90480	90480	2851	2.55	0.48
Other fixed interest securities	23	41919	42981	2215	4.05	1.27
Variable interest securities	24	5824	5862	74	1.32	(0.33)
UK listed equity shares	25	50150	49024	1766	4.65	2.32
Non-UK listed equity shares	26	12489	33737	260	3.67	6.11
Unlisted equity shares	27		1589			21.73
Other assets	28	33452	9515	39	0.41	0.54
<b>Total</b>	<b>29</b>	<b>234313</b>	<b>234313</b>	<b>7235</b>	<b>3.29</b>	<b>1.93</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					1.87
Return allocated to non taxable 'asset shares'	32					1.87
Return allocated to taxable 'asset shares'	33					1.87

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **United Friendly OB Subfund**  
 Financial year ended **31 December 2015**  
 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					
Other fixed interest securities	13					
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18					
<b>Total</b>	<b>19</b>					

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

Land and buildings	21	365787	419529	15935	3.80	15.32
Approved fixed interest securities	22	1030892	1030892	32459	2.55	0.48
Other fixed interest securities	23	467528	477526	24511	4.11	1.27
Variable interest securities	24	57196	57546	716	1.24	(0.32)
UK listed equity shares	25	365431	359078	13084	4.69	2.11
Non-UK listed equity shares	26	48005	108708	999	3.62	6.11
Unlisted equity shares	27		15315			21.73
Other assets	28	180158	46404	124	0.27	0.31
<b>Total</b>	<b>29</b>	<b>2514998</b>	<b>2514998</b>	<b>87829</b>	<b>3.32</b>	<b>3.50</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					3.43
Return allocated to non taxable 'asset shares'	32					3.43
Return allocated to taxable 'asset shares'	33					2.96

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Category of assets **United Friendly IB Subfund**  
Financial year ended **31 December 2015**  
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					
Other fixed interest securities	13					
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18					
<b>Total</b>	<b>19</b>					

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

Land and buildings	21	164587	192381	7264	3.78	15.32
Approved fixed interest securities	22	212792	212792	6698	2.52	0.48
Other fixed interest securities	23	182799	186723	9623	4.11	1.28
Variable interest securities	24	24553	24691	300	1.07	(0.33)
UK listed equity shares	25	365273	358802	13128	4.71	1.98
Non-UK listed equity shares	26	51939	117624	1081	3.62	6.11
Unlisted equity shares	27		6418			21.73
Other assets	28	111057	13570	37	0.27	0.36
<b>Total</b>	<b>29</b>	<b>1113001</b>	<b>1113001</b>	<b>38132</b>	<b>3.75</b>	<b>3.97</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					3.88
Return allocated to non taxable 'asset shares'	32					3.88
Return allocated to taxable 'asset shares'	33					3.54

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Category of assets **Scottish Life Fund**  
Financial year ended **31 December 2015**  
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	2101	2101	273	12.98	
Approved fixed interest securities	12	135840	135840	4419	2.31	
Other fixed interest securities	13	12305	12305	633	3.93	
Variable interest securities	14	4625	4625	82	11.25	
UK listed equity shares	15	16714	16714	606	4.65	
Non-UK listed equity shares	16	33	4644	1	3.44	
Unlisted equity shares	17					
Other assets	18	95937	91326	490	0.51	
<b>Total</b>	<b>19</b>	<b>267555</b>	<b>267555</b>	<b>6504</b>	<b>2.18</b>	

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

Land and buildings	21	14684	16957	1967	11.60	21.97
Approved fixed interest securities	22	916678	923233	29853	2.30	0.74
Other fixed interest securities	23	84832	90883	4380	3.71	1.43
Variable interest securities	24	32319	80006	1074	5.17	1.43
UK listed equity shares	25	116788	162809	5094	4.23	2.69
Non-UK listed equity shares	26	230	48327	5	2.39	5.63
Unlisted equity shares	27		5486			24.37
Other assets	28	1106518	944347	3518	0.37	0.37
<b>Total</b>	<b>29</b>	<b>2272048</b>	<b>2272048</b>	<b>45892</b>	<b>1.86</b>	<b>1.82</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					1.74
Return allocated to non taxable 'asset shares'	32					1.74
Return allocated to taxable 'asset shares'	33					1.39

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **PLAL With-Profits Fund**  
 Financial year ended **31 December 2015**  
 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					
Other fixed interest securities	13					
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18					
<b>Total</b>	<b>19</b>					

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

Land and buildings	21		2915	102	3.49	7.32
Approved fixed interest securities	22	118637	118637	3558	1.85	0.86
Other fixed interest securities	23	245224	245225	12495	3.92	1.48
Variable interest securities	24	12420	12420	194	0.53	1.76
UK listed equity shares	25	187729	184814	7246	4.90	(1.37)
Non-UK listed equity shares	26	22837	70350	1475	3.59	7.12
Unlisted equity shares	27					
Other assets	28	60368	12854	44	0.34	0.45
<b>Total</b>	<b>29</b>	<b>647215</b>	<b>647215</b>	<b>25114</b>	<b>3.65</b>	<b>1.13</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					1.09
Return allocated to non taxable 'asset shares'	32					1.09
Return allocated to taxable 'asset shares'	33					0.95

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **Royal Liver Assurance Fund**  
 Financial year ended **31 December 2015**  
 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	1247	1247	40	3.24	
Approved fixed interest securities	12	215875	215875	5961	1.36	
Other fixed interest securities	13	142613	168061	7403	3.57	
Variable interest securities	14	925	925		3.13	
UK listed equity shares	15	45323	45323	1757	3.88	
Non-UK listed equity shares	16	9715	9715	320	3.98	
Unlisted equity shares	17					
Other assets	18	70884	45436	493	2.19	
<b>Total</b>	<b>19</b>	<b>486582</b>	<b>486582</b>	<b>15975</b>	<b>2.50</b>	

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

Land and buildings	21	39572	42581	1363	3.20	42.01
Approved fixed interest securities	22	450711	450883	12507	1.45	(1.66)
Other fixed interest securities	23	217045	292111	11733	2.92	(2.86)
Variable interest securities	24	37610	37764	783	(0.94)	(2.86)
UK listed equity shares	25	142520	141182	5189	3.69	1.09
Non-UK listed equity shares	26	28659	173357	2676	3.36	7.82
Unlisted equity shares	27	7300	90797	1080	1.10	13.38
Other assets	28	417094	111833	142	(0.32)	(6.12)
<b>Total</b>	<b>29</b>	<b>1340509</b>	<b>1340509</b>	<b>35472</b>	<b>2.07</b>	<b>5.05</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					4.79
Return allocated to non taxable 'asset shares'	32					4.79
Return allocated to taxable 'asset shares'	33					4.66

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Category of assets **Royal London (CIS) Ordinary and Industrial Life**  
Financial year ended **31 December 2015**  
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	15240	15523	803	5.17	
Approved fixed interest securities	12	232401	232401	7524	2.31	
Other fixed interest securities	13	320886	320886	15499	4.41	
Variable interest securities	14					
UK listed equity shares	15	19969	19905	761	4.88	
Non-UK listed equity shares	16	14325	15101	351	3.40	
Unlisted equity shares	17					
Other assets	18		(995)	(8)	0.69	
<b>Total</b>	<b>19</b>	<b>602821</b>	<b>602821</b>	<b>24930</b>	<b>3.62</b>	

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

Land and buildings	21	1555413	1718012	82689	4.81	16.52
Approved fixed interest securities	22	5764740	5791802	184485	2.55	0.35
Other fixed interest securities	23	2574321	2655419	124026	4.14	(0.00)
Variable interest securities	24	2780604	2926517	255	0.01	(0.00)
UK listed equity shares	25	2028249	2054104	74123	4.60	1.42
Non-UK listed equity shares	26	1362934	1437220	33404	3.40	6.27
Unlisted equity shares	27	93554	475086			11.95
Other assets	28	4425656	3527311	2094	0.06	(0.00)
<b>Total</b>	<b>29</b>	<b>20585470</b>	<b>20585470</b>	<b>501076</b>	<b>2.36</b>	<b>4.43</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					4.21
Return allocated to non taxable 'asset shares'	32					4.21
Return allocated to taxable 'asset shares'	33					4.00

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **Royal London (CIS) With-Profits Stakeholder**  
 Financial year ended **31 December 2015**  
 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					
Other fixed interest securities	13					
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18					
<b>Total</b>	<b>19</b>					

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

Land and buildings	21					
Approved fixed interest securities	22		2235	61	2.72	(0.02)
Other fixed interest securities	23		107297	4196	3.91	2.23
Variable interest securities	24		1160	50	4.29	2.23
UK listed equity shares	25		131267	3950	3.01	4.91
Non-UK listed equity shares	26		71819	1836	2.56	14.97
Unlisted equity shares	27					
Other assets	28	322024	8245	31	0.38	(0.02)
<b>Total</b>	<b>29</b>	<b>322024</b>	<b>322024</b>	<b>10124</b>	<b>3.14</b>	<b>5.68</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					5.68
Return allocated to non taxable 'asset shares'	32					
Return allocated to taxable 'asset shares'	33					

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **Royal London (CIS) With-Profits Pension**  
 Financial year ended **31 December 2015**  
 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					
Other fixed interest securities	13					
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18					
<b>Total</b>	<b>19</b>					

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

Land and buildings	21					
Approved fixed interest securities	22		29	1	2.72	(0.02)
Other fixed interest securities	23		1391	54	3.91	2.21
Variable interest securities	24		15	1	4.29	2.21
UK listed equity shares	25		1712	52	3.02	4.90
Non-UK listed equity shares	26		919	24	2.56	15.00
Unlisted equity shares	27					
Other assets	28	4228	162	1	0.43	(0.01)
<b>Total</b>	<b>29</b>	<b>4228</b>	<b>4228</b>	<b>132</b>	<b>3.12</b>	<b>5.50</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					5.50
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 **The Royal London Mutual Insurance Society Limited**  
 Category of assets **Total long term insurance business assets**  
 Financial year ended **31 December 2015**  
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
<b>UK Government approved fixed interest securities</b>	<b>11</b>	10425728	19.98	2.47	2.47

<b>Other approved fixed interest securities</b>	<b>21</b>	927161	11.82	2.02	2.02
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## Other fixed interest securities

AAA/Aaa	<b>31</b>	390640	7.84	2.52	2.40
AA/Aa	<b>32</b>	750184	11.24	3.36	2.98
A/A	<b>33</b>	2018367	11.26	3.86	3.36
BBB/Baa	<b>34</b>	2166724	8.87	4.27	3.39
BB/Ba	<b>35</b>	322290	6.62	5.60	3.61
B/B	<b>36</b>	8471	4.44	6.12	1.92
CCC/Caa	<b>37</b>	1452	1.81	13.87	0.46
Other (including unrated)	<b>38</b>	303159	5.90	5.26	3.26
<b>Total other fixed interest securities</b>	<b>39</b>	5961287	9.63	4.03	3.26

<b>Approved variable interest securities</b>	<b>41</b>	358752	12.59	(0.86)	(0.86)
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<b>Other variable interest securities</b>	<b>51</b>	3243569	35.90	0.35	0.17
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<b>Total (11+21+39+41+51)</b>	<b>61</b>	20916498	19.01	2.51	2.26
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## Long-term insurance business : Fixed and variable interest assets

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **Royal London IB & OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
<b>UK Government approved fixed interest securities</b>	<b>11</b>	1996060	18.20	2.53	2.53

<b>Other approved fixed interest securities</b>	<b>21</b>	149975	9.34	1.90	1.90
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## Other fixed interest securities

AAA/Aaa	<b>31</b>	124984	6.13	2.19	2.09
AA/Aa	<b>32</b>	145438	9.17	3.13	2.76
A/A	<b>33</b>	354306	9.31	3.75	3.27
BBB/Baa	<b>34</b>	485663	7.27	4.12	3.23
BB/Ba	<b>35</b>	100388	6.07	5.36	3.36
B/B	<b>36</b>	4679	4.73	5.96	1.80
CCC/Caa	<b>37</b>	720	2.18	16.86	0.60
Other (including unrated)	<b>38</b>	136607	5.57	5.95	3.26
<b>Total other fixed interest securities</b>	<b>39</b>	1352786	7.63	4.03	3.09

<b>Approved variable interest securities</b>	<b>41</b>	244634	12.89	(0.87)	(0.87)
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<b>Other variable interest securities</b>	<b>51</b>	206157	0.14	2.31	1.51
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<b>Total (11+21+39+41+51)</b>	<b>61</b>	3949611	12.97	2.80	2.44
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## Long-term insurance business : Fixed and variable interest assets

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
<b>UK Government approved fixed interest securities</b>	<b>11</b>	87755	17.63	2.55	2.55

<b>Other approved fixed interest securities</b>	<b>21</b>	4481	12.04	2.48	2.48
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## Other fixed interest securities

AAA/Aaa	<b>31</b>	4225	7.58	2.38	2.26
AA/Aa	<b>32</b>	5524	9.27	3.14	2.77
A/A	<b>33</b>	13430	9.48	3.78	3.30
BBB/Baa	<b>34</b>	18178	7.46	4.18	3.29
BB/Ba	<b>35</b>	3902	6.06	5.36	3.36
B/B	<b>36</b>	182	4.73	5.96	1.80
CCC/Caa	<b>37</b>	28	2.18	16.86	0.60
Other (including unrated)	<b>38</b>	5205	5.68	6.10	3.33
<b>Total other fixed interest securities</b>	<b>39</b>	50673	7.90	4.11	3.15

<b>Approved variable interest securities</b>	<b>41</b>	4046	20.08	(0.74)	(0.74)
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<b>Other variable interest securities</b>	<b>51</b>	1815	0.08	5.92	2.84
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<b>Total (11+21+39+41+51)</b>	<b>61</b>	148771	14.00	3.03	2.67
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## Long-term insurance business : Fixed and variable interest assets

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **United Friendly OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
<b>UK Government approved fixed interest securities</b>	<b>11</b>	983220	17.65	2.55	2.55

<b>Other approved fixed interest securities</b>	<b>21</b>	47672	12.35	2.44	2.44
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## Other fixed interest securities

AAA/Aaa	<b>31</b>	40327	7.79	2.38	2.26
AA/Aa	<b>32</b>	51994	9.27	3.14	2.77
A/A	<b>33</b>	126408	9.48	3.78	3.30
BBB/Baa	<b>34</b>	171102	7.46	4.18	3.29
BB/Ba	<b>35</b>	36727	6.06	5.36	3.36
B/B	<b>36</b>	1711	4.73	5.96	1.80
CCC/Caa	<b>37</b>	263	2.18	16.86	0.60
Other (including unrated)	<b>38</b>	48992	5.68	6.10	3.33
<b>Total other fixed interest securities</b>	<b>39</b>	477526	7.92	4.11	3.15

<b>Approved variable interest securities</b>	<b>41</b>	40459	20.08	(0.74)	(0.74)
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<b>Other variable interest securities</b>	<b>51</b>	17088	0.16	5.92	2.84
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<b>Total (11+21+39+41+51)</b>	<b>61</b>	1565964	14.39	2.98	2.65
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## Long-term insurance business : Fixed and variable interest assets

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **United Friendly IB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
<b>UK Government approved fixed interest securities</b>	<b>11</b>	196679	17.53	2.54	2.54

<b>Other approved fixed interest securities</b>	<b>21</b>	16113	10.28	2.22	2.22
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## Other fixed interest securities

AAA/Aaa	<b>31</b>	15151	7.12	2.36	2.24
AA/Aa	<b>32</b>	20404	9.27	3.14	2.77
A/A	<b>33</b>	49607	9.48	3.78	3.30
BBB/Baa	<b>34</b>	67146	7.46	4.18	3.29
BB/Ba	<b>35</b>	14413	6.06	5.36	3.36
B/B	<b>36</b>	671	4.73	5.96	1.80
CCC/Caa	<b>37</b>	103	2.18	16.86	0.60
Other (including unrated)	<b>38</b>	19226	5.68	6.10	3.33
<b>Total other fixed interest securities</b>	<b>39</b>	186723	7.86	4.11	3.16

<b>Approved variable interest securities</b>	<b>41</b>	17985	20.08	(0.74)	(0.74)
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<b>Other variable interest securities</b>	<b>51</b>	6706	0.09	5.92	2.84
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<b>Total (11+21+39+41+51)</b>	<b>61</b>	424205	12.83	3.13	2.67
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## Long-term insurance business : Fixed and variable interest assets

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **Scottish Life Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
<b>UK Government approved fixed interest securities</b>	<b>11</b>	1055095	18.21	2.31	2.31

<b>Other approved fixed interest securities</b>	<b>21</b>	3978	5.52	1.92	1.92
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## Other fixed interest securities

AAA/Aaa	<b>31</b>	8652	8.70	2.55	2.47
AA/Aa	<b>32</b>	6008	11.64	3.99	3.57
A/A	<b>33</b>	30656	9.26	3.94	3.44
BBB/Baa	<b>34</b>	35040	8.57	4.43	3.53
BB/Ba	<b>35</b>	5372	5.90	5.46	3.46
B/B	<b>36</b>				
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>	17460	3.77	1.94	2.16
<b>Total other fixed interest securities</b>	<b>39</b>	103188	8.01	3.73	3.18

<b>Approved variable interest securities</b>	<b>41</b>	9173	3.13	0.31	0.17
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<b>Other variable interest securities</b>	<b>51</b>	75458	0.14	6.13	2.14
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<b>Total (11+21+39+41+51)</b>	<b>61</b>	1246892	16.12	2.64	2.35
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## Long-term insurance business : Fixed and variable interest assets

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **PLAL With-Profits Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
<b>UK Government approved fixed interest securities</b>	<b>11</b>	113515	9.72	1.77	1.77

<b>Other approved fixed interest securities</b>	<b>21</b>	5122	16.72	3.54	3.54
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## Other fixed interest securities

AAA/Aaa	<b>31</b>	20044	6.26	2.24	2.13
AA/Aa	<b>32</b>	21870	8.81	3.14	2.77
A/A	<b>33</b>	67881	9.03	3.88	3.38
BBB/Baa	<b>34</b>	91331	7.52	4.18	3.27
BB/Ba	<b>35</b>	19093	5.89	5.32	3.29
B/B	<b>36</b>	519	3.84	6.01	1.73
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>	24486	6.50	4.06	3.41
<b>Total other fixed interest securities</b>	<b>39</b>	245225	7.71	3.92	3.18

<b>Approved variable interest securities</b>	<b>41</b>	7366	3.07	(1.04)	(1.04)
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<b>Other variable interest securities</b>	<b>51</b>	5053	0.13	2.81	2.39
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<b>Total (11+21+39+41+51)</b>	<b>61</b>	376282	8.25	3.16	2.67
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## Long-term insurance business : Fixed and variable interest assets

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **Royal Liver Assurance Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
<b>UK Government approved fixed interest securities</b>	<b>11</b>	353729	10.25	1.85	1.85

<b>Other approved fixed interest securities</b>	<b>21</b>	313030	10.29	0.92	0.92
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## Other fixed interest securities

AAA/Aaa	<b>31</b>	18091	8.88	2.19	2.08
AA/Aa	<b>32</b>	62367	9.49	2.49	2.13
A/A	<b>33</b>	159278	9.66	3.03	2.56
BBB/Baa	<b>34</b>	179297	7.71	3.47	2.59
BB/Ba	<b>35</b>	21947	5.52	5.15	3.12
B/B	<b>36</b>	707	1.88	7.78	3.29
CCC/Caa	<b>37</b>	337	0.56	4.01	0.00
Other (including unrated)	<b>38</b>	18148	7.24	1.83	3.02
<b>Total other fixed interest securities</b>	<b>39</b>	460173	8.53	3.16	2.54

<b>Approved variable interest securities</b>	<b>41</b>	35034	1.62	(1.26)	(1.26)
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<b>Other variable interest securities</b>	<b>51</b>	3655	1.61	3.13	2.62
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<b>Total (11+21+39+41+51)</b>	<b>61</b>	1165620	9.29	2.03	1.78
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## Long-term insurance business : Fixed and variable interest assets

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **Royal London (CIS) Ordinary and Industrial Life**  
 Financial year ended **31 December 2015**  
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
<b>UK Government approved fixed interest securities</b>	<b>11</b>	5638192	22.29	2.52	2.52

<b>Other approved fixed interest securities</b>	<b>21</b>	386011	14.02	2.88	2.86
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## Other fixed interest securities

AAA/Aaa	<b>31</b>	156913	9.37	2.90	2.77
AA/Aa	<b>32</b>	426888	12.72	3.61	3.21
A/A	<b>33</b>	1186270	12.60	4.01	3.50
BBB/Baa	<b>34</b>	1064068	10.37	4.51	3.63
BB/Ba	<b>35</b>	118389	7.69	6.04	4.07
B/B	<b>36</b>				
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>	23778	8.40	5.55	3.93
<b>Total other fixed interest securities</b>	<b>39</b>	2976305	11.42	4.16	3.49

<b>Approved variable interest securities</b>	<b>41</b>	55	5.87	(1.59)	(1.59)
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<b>Other variable interest securities</b>	<b>51</b>	2926462	39.78	0.01	(0.00)
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<b>Total (11+21+39+41+51)</b>	<b>61</b>	11927025	23.60	2.32	2.15
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## Long-term insurance business : Fixed and variable interest assets

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **Royal London (CIS) With-Profits Stakeholder**  
 Financial year ended **31 December 2015**  
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
<b>UK Government approved fixed interest securities</b>	<b>11</b>	1465	8.14	1.64	1.64

<b>Other approved fixed interest securities</b>	<b>21</b>	770	10.97	4.76	4.43
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## Other fixed interest securities

AAA/Aaa	<b>31</b>	2223	4.94	2.50	2.40
AA/Aa	<b>32</b>	9567	9.50	3.37	3.00
A/A	<b>33</b>	30141	7.80	3.76	3.30
BBB/Baa	<b>34</b>	54195	6.69	4.08	3.18
BB/Ba	<b>35</b>	2034	7.81	5.74	3.81
B/B	<b>36</b>				
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>	9138	6.11	3.90	3.08
<b>Total other fixed interest securities</b>	<b>39</b>	107297	7.19	3.91	3.19

<b>Approved variable interest securities</b>	<b>41</b>				
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<b>Other variable interest securities</b>	<b>51</b>	1160	0.12	4.29	3.66
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<b>Total (11+21+39+41+51)</b>	<b>61</b>	110692	7.15	3.89	3.18
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## Long-term insurance business : Fixed and variable interest assets

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Category of assets **Royal London (CIS) With-Profits Pension**  
 Financial year ended **31 December 2015**  
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
<b>UK Government approved fixed interest securities</b>	<b>11</b>	19	8.14	1.64	1.64

<b>Other approved fixed interest securities</b>	<b>21</b>	10	10.97	4.76	4.43
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## Other fixed interest securities

AAA/Aaa	<b>31</b>	29	4.94	2.50	2.40
AA/Aa	<b>32</b>	124	9.50	3.37	3.00
A/A	<b>33</b>	391	7.79	3.76	3.30
BBB/Baa	<b>34</b>	703	6.69	4.08	3.18
BB/Ba	<b>35</b>	26	7.80	5.74	3.81
B/B	<b>36</b>				
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>	118	6.11	3.90	3.07
<b>Total other fixed interest securities</b>	<b>39</b>	1391	7.19	3.91	3.19

<b>Approved variable interest securities</b>	<b>41</b>				
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<b>Other variable interest securities</b>	<b>51</b>	15	0.12	4.29	3.66
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<b>Total (11+21+39+41+51)</b>	<b>61</b>	1435	7.15	3.89	3.18
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**Long-term insurance business : Summary of mathematical reserves**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Summary**  
Financial year ended **31 December 2015**  
Units **£000**

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

**Gross**

Form 51 - with-profits	11	2145288	10196682	235941	12577911	14074677
Form 51 - non-profit	12	527056	4462904	162852	5152811	5127586
Form 52	13	2197779	3127307	350040	5675127	5875424
Form 53 - linked	14	1295907	25528907	14865	26839679	24687951
Form 53 - non-linked	15	47525	255151	1918	304595	256813
Form 54 - linked	16	(16558)	12162	(393)	(4789)	(2288)
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>	<b>6196998</b>	<b>43583113</b>	<b>765223</b>	<b>50545334</b>	<b>50020163</b>

**Reinsurance - external**

Form 51 - with-profits	21	(73)	1250983		1250910	1425769
Form 51 - non-profit	22	426921	3385142	40746	3852809	3924911
Form 52	23					
Form 53 - linked	24		2235590		2235590	2120224
Form 53 - non-linked	25	12916	(9906)		3009	11194
Form 54 - linked	26	(4828)	4194	(140)	(774)	(307)
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>	<b>434936</b>	<b>6866003</b>	<b>40605</b>	<b>7341545</b>	<b>7481791</b>

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41	2145361	8945699	235941	11327000	12648909
Form 51 - non-profit	42	100135	1077762	122106	1300003	1202674
Form 52	43	2197779	3127307	350040	5675127	5875424
Form 53 - linked	44	1295907	23293317	14865	24604089	22567727
Form 53 - non-linked	45	34610	265057	1918	301585	245618
Form 54 - linked	46	(11730)	7967	(253)	(4015)	(1981)
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>	<b>5762062</b>	<b>36717110</b>	<b>724618</b>	<b>43203790</b>	<b>42538372</b>

**Long-term insurance business : Summary of mathematical reserves**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London IB & OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Form 51 - with-profits	11	482177	646878	(9486)	1119569	1249005
Form 51 - non-profit	12	157165	803347	(31704)	928808	768275
Form 52	13	287154	1671600	64804	2023559	1983985
Form 53 - linked	14	1257915	24640129	2673	25900718	23727069
Form 53 - non-linked	15	45029	242825	(368)	287486	238305
Form 54 - linked	16	(16558)	12162	(393)	(4789)	(2288)
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>	<b>2212883</b>	<b>28016942</b>	<b>25526</b>	<b>30255351</b>	<b>27964351</b>

**Reinsurance - external**

Form 51 - with-profits	21					
Form 51 - non-profit	22	350385	438176	25935	814496	686800
Form 52	23					
Form 53 - linked	24		2211133		2211133	2095637
Form 53 - non-linked	25	12916	(9695)		3221	11438
Form 54 - linked	26	(4828)	4194	(140)	(774)	(307)
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>	<b>358473</b>	<b>2643809</b>	<b>25795</b>	<b>3028077</b>	<b>2793567</b>

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41	482177	646878	(9486)	1119569	1249005
Form 51 - non-profit	42	(193220)	365171	(57639)	114312	81475
Form 52	43	287154	1671600	64804	2023559	1983985
Form 53 - linked	44	1257915	22428996	2673	23689585	21631432
Form 53 - non-linked	45	32114	252520	(368)	284265	226867
Form 54 - linked	46	(11730)	7967	(253)	(4015)	(1981)
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>	<b>1854410</b>	<b>25373133</b>	<b>(269)</b>	<b>27227274</b>	<b>25170783</b>

**Long-term insurance business : Summary of mathematical reserves**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Form 51 - with-profits	11	82688			82688	98577
Form 51 - non-profit	12	28622			28622	25185
Form 52	13					
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16					
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>	111310			111310	123762

**Reinsurance - external**

Form 51 - with-profits	21					
Form 51 - non-profit	22					
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>					

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41	82688			82688	98577
Form 51 - non-profit	42	28622			28622	25185
Form 52	43					
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46					
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>	111310			111310	123762

**Long-term insurance business : Summary of mathematical reserves**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **United Friendly OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Form 51 - with-profits	11	75897	1446147		1522044	1539105
Form 51 - non-profit	12					
Form 52	13					
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16					
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>	<b>75897</b>	<b>1446147</b>		<b>1522044</b>	<b>1539105</b>

**Reinsurance - external**

Form 51 - with-profits	21					
Form 51 - non-profit	22					
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>					

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41	75897	1446147		1522044	1539105
Form 51 - non-profit	42					
Form 52	43					
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46					
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>	<b>75897</b>	<b>1446147</b>		<b>1522044</b>	<b>1539105</b>

**Long-term insurance business : Summary of mathematical reserves**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **United Friendly IB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Form 51 - with-profits	11	434050			434050	445118
Form 51 - non-profit	12					
Form 52	13					
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16					
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>	434050			434050	445118

**Reinsurance - external**

Form 51 - with-profits	21					
Form 51 - non-profit	22					
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>					

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41	434050			434050	445118
Form 51 - non-profit	42					
Form 52	43					
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46					
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>	434050			434050	445118

**Long-term insurance business : Summary of mathematical reserves**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Scottish Life Fund**  
Financial year ended **31 December 2015**  
Units **£000**

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

**Gross**

Form 51 - with-profits	11	27505	934020		961525	1074730
Form 51 - non-profit	12	4851	240883		245734	254582
Form 52	13	14241	703946		718186	735809
Form 53 - linked	14		253825		253825	292341
Form 53 - non-linked	15		5722		5722	7399
Form 54 - linked	16					
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>	<b>46596</b>	<b>2138395</b>		<b>2184992</b>	<b>2364861</b>

**Reinsurance - external**

Form 51 - with-profits	21					
Form 51 - non-profit	22	4483			4483	3790
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>	<b>4483</b>			<b>4483</b>	<b>3790</b>

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41	27505	934020		961525	1074730
Form 51 - non-profit	42	368	240883		241251	250792
Form 52	43	14241	703946		718186	735809
Form 53 - linked	44		253825		253825	292341
Form 53 - non-linked	45		5722		5722	7399
Form 54 - linked	46					
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>	<b>42114</b>	<b>2138395</b>		<b>2180509</b>	<b>2361070</b>

**Long-term insurance business : Summary of mathematical reserves**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **PLAL With-Profits Fund**  
 Financial year ended **31 December 2015**  
 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					
Form 52	13	270654	158965		429619	455452
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16					
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>	270654	158965		429619	455452

**Reinsurance - external**

Form 51 - with-profits	21					
Form 51 - non-profit	22					
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>					

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41					
Form 51 - non-profit	42					
Form 52	43	270654	158965		429619	455452
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46					
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>	270654	158965		429619	455452

**Long-term insurance business : Summary of mathematical reserves**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal Liver Assurance Fund**  
Financial year ended **31 December 2015**  
Units **£000**

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

**Gross**

Form 51 - with-profits	11	125394	15923	245427	386744	464835
Form 51 - non-profit	12	231036	82398	194556	507989	501397
Form 52	13	8144	267041	285236	560421	675417
Form 53 - linked	14	37992	154105	12191	204288	207558
Form 53 - non-linked	15	2496	5364	2286	10146	9874
Form 54 - linked	16					
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>	<b>405062</b>	<b>524831</b>	<b>739697</b>	<b>1669590</b>	<b>1859082</b>

**Reinsurance - external**

Form 51 - with-profits	21					
Form 51 - non-profit	22	55128	8523	14810	78461	71234
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>	<b>55128</b>	<b>8523</b>	<b>14810</b>	<b>78461</b>	<b>71234</b>

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41	125394	15923	245427	386744	464835
Form 51 - non-profit	42	175908	73875	179745	429528	430162
Form 52	43	8144	267041	285236	560421	675417
Form 53 - linked	44	37992	154105	12191	204288	207558
Form 53 - non-linked	45	2496	5364	2286	10146	9874
Form 54 - linked	46					
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>	<b>349934</b>	<b>516308</b>	<b>724887</b>	<b>1591129</b>	<b>1787847</b>

**Long-term insurance business : Summary of mathematical reserves**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) Ordinary and Industrial Life**  
 Financial year ended **31 December 2015**  
 Units **£000**

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

**Gross**

Form 51 - with-profits	11	917577	7153714		8071292	9203307
Form 51 - non-profit	12	105383	3336275		3441658	3578147
Form 52	13	1617586	1103		1618689	1706818
Form 53 - linked	14		480848		480848	460982
Form 53 - non-linked	15		1240		1240	1235
Form 54 - linked	16					
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>	<b>2640546</b>	<b>10973181</b>		<b>13613727</b>	<b>14950489</b>

**Reinsurance - external**

Form 51 - with-profits	21	(73)	1250983		1250910	1425769
Form 51 - non-profit	22	16926	2938443		2955369	3163087
Form 52	23					
Form 53 - linked	24		24457		24457	24587
Form 53 - non-linked	25		(212)		(212)	(243)
Form 54 - linked	26					
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>	<b>16853</b>	<b>4213672</b>		<b>4230524</b>	<b>4613199</b>

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41	917650	5902731		6820381	7777538
Form 51 - non-profit	42	88457	397832		486289	415060
Form 52	43	1617586	1103		1618689	1706818
Form 53 - linked	44		456391		456391	436395
Form 53 - non-linked	45		1452		1452	1478
Form 54 - linked	46					
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>	<b>2623693</b>	<b>6759510</b>		<b>9383203</b>	<b>10337290</b>

**Long-term insurance business : Summary of mathematical reserves**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) With-Profits Stakeholder**  
 Financial year ended **31 December 2015**  
 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					
Form 52	13		320443		320443	313873
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16					
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>		320443		320443	313873

**Reinsurance - external**

Form 51 - with-profits	21					
Form 51 - non-profit	22					
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>					

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41					
Form 51 - non-profit	42					
Form 52	43		320443		320443	313873
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46					
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>		320443		320443	313873

**Long-term insurance business : Summary of mathematical reserves**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) With-Profits Pension**  
 Financial year ended **31 December 2015**  
 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					
Form 52	13		4210		4210	4072
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16					
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>		4210		4210	4072

**Reinsurance - external**

Form 51 - with-profits	21					
Form 51 - non-profit	22					
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>					

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41					
Form 51 - non-profit	42					
Form 52	43		4210		4210	4072
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46					
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>		4210		4210	4072

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
100	Ex RA Conventional whole life with-profits OB	3231	13703	408				9849
100	RL Conventional whole life with-profits OB	4906	23768	292				16166
100	RL Conventional whole life with-profits OB (with critical illness)	68	741	22				282
105	RL Conventional whole life with-profits IB	191153	145560	3200				117286
120	Ex RA Conventional endowment with-profits OB savings	2766	24034	937				20459
120	RL Conventional endowment with-profits OB savings	5529	68130	2476				55421
125	Ex RA Conventional endowment with-profits OB target cash	2725	80127	1556				38323
125	RL Conventional endowment with-profits OB target cash	9593	227888	7224				199568
130	RL Conventional endowment with-profits IB	16361	52793	1815				43516
210	Ex RA Additional reserves with-profits OB (options and guarantees)							250
210	Ex RL(CIS) Additional reserves with-profits OB (expenses)							24253
210	Ex RL(CIS) Additional reserves with-profits OB (rate card charges)							(32923)
210	Ex RLA Additional reserves with-profits OB (expenses)							6117
210	Ex RLA Additional reserves with-profits OB (rate card charges)							(11029)
210	RL Additional reserves with-profits OB (options and guarantees)							103

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
210	RL Additional reserves with-profits OB (Transformation project)							2700
215	Ex RL(CIS) Additional reserves with-profits IB (expenses)							35614
215	Ex RL(CIS) Additional reserves with-profits IB (rate card charges)							(41115)
215	Ex RLA Additional reserves with-profits IB (expenses)							3662
215	Ex RLA Additional reserves with-profits IB (rate card charges)							(6326)
300	Ex CL Regular premium non-profit WL/EA OB	673	5231	48				2664
300	Ex RA Regular premium non-profit WL/EA OB	4958	9893	44				8511
300	Ex SL Regular premium non-profit WL/EA OB	4575	9294	106				7705
300	Ex UFI regular premium non-profit WL/EA OB	11991	31443	413				19206
300	RL Regular premium non-profit WL/EA OB	2052	7249	30				5762
300	RL Regular premium non-profit WL/EA OB (Bancassurance)	13692	62697	3563				(3844)
300	RL Regular premium non-profit WL/EA OB (GRB)	2302	7845	494				(849)
300	RL Regular premium non-profit WL/EA OB (GRB) (D2C)	12591	53594	3238				(7595)
300	RL Regular premium non-profit WL/EA OB (GRB) (Scottish Provident)	4728	2487079	6855				(16986)
305	RL Single premium non-profit WL/EA OB	1	60					44

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
310	RL Non-profit IB	307464	27396	346				45031
325	Ex CL Level term assurance	5	133	0				1
325	Ex PLAL Level term assurance	20663	1322492	5125				3679
325	Ex RA Level term assurance	1183	43794	148				70
325	Ex SL Level term assurance	530	22217	78				122
325	Ex SMA Level term assurance	41287	5999240	12777				9596
325	Ex SMA Level term assurance per annum	1925	46546	881				(2965)
325	Ex SPL Level term assurance	13322	1798196	3952				2998
325	Ex SPL Level term assurance per annum	1000	21506	465				(1327)
325	Ex UFI Level term assurance	207	8587	47				39
325	RL Level term assurance	8378	280759	1049				1434
325	RL Level term assurance (Bancassurance)	4852	438304	1508				(817)
325	RL Level term assurance (Bright Grey)	112892	21018167	45130				52080
325	RL Level term assurance (GRB) (Bright Grey)	55149	10361946	20930				(14207)
325	RL Level term assurance (GRB) (D2C)	2398	235577	427				159

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
325	RL Level term assurance (GRB) (Scottish Provident)	9967	3684717	6238				2206
325	RL Level term assurance (Scottish Provident)	22803	6864136	11632				19284
325	RL Level term assurance per annum (GRB) (Scottish Provident)	4580	147856	2031				(4278)
325	RL Level term assurance per annum (Scottish Provident)	11476	372656	4937				(5436)
330	Ex PLAL Decreasing term assurance	28150	1411048	7814				(10315)
330	Ex RA Decreasing term assurance	184	3818	16				43
330	Ex SL Decreasing term assurance	443	5831	51				2
330	Ex SMA Decreasing term assurance	20411	1479558	5153				(4034)
330	Ex SPL Decreasing term assurance	5469	314502	1274				(1065)
330	Ex UFI Decreasing term assurance	83	983	4				9
330	RL Decreasing term assurance	1222	35564	133				174
330	RL Decreasing term assurance (Bancassurance)	8097	637719	2699				(4898)
330	RL Decreasing term assurance (Bright Grey)	53822	6874816	17078				2212
330	RL Decreasing term assurance (GRB) (Bright Grey)	35503	6937207	10973				(6937)
330	RL Decreasing term assurance (GRB) (D2C)	473	31909	70				(31)

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
330	RL Decreasing term assurance (GRB) (Scottish Provident)	7938	1796745	2747				311
330	RL Decreasing term assurance (Scottish Provident)	11307	2201360	4121				3744
335	Ex UFI Decreasing term assurance (rider benefits)		111	2				0
335	RL Decreasing term assurance (rider benefits)		89038	298				342
340	Ex PLAL Accelerated critical illness (guaranteed premiums)	40579	2190713	18128				(759)
340	Ex SMA Accelerated critical illness (guaranteed premiums)	90146	8622836	49887				75954
340	Ex SMA Accelerated critical illness (guaranteed premiums) per annum	832	17846	893				(2046)
340	Ex SPL Accelerated critical illness (guaranteed premiums)	18373	1286601	8091				17564
340	Ex SPL Accelerated critical illness (guaranteed premiums) per annum	191	3521	160				(290)
340	RL Accelerated critical illness (guaranteed premiums) (Bancassurance)	10788	611506	5533				(12138)
340	RL Accelerated critical illness (guaranteed premiums) (Bright Grey)	30672	4594289	23133				8931
340	RL Accelerated critical illness (guaranteed premiums) (GRB) (Bright Grey)	25325	4398007	20684				(16104)
340	RL Accelerated critical illness (guaranteed premiums) (GRB) (Scottish Provident)	15034	2663693	13323				(1959)
340	RL Accelerated critical illness (guaranteed premiums) (Scottish Provident)	28465	4067398	22372				12901
340	RL Accelerated critical illness (guaranteed premiums) (Swiss Life)	354	10700	94				733

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
340	RL Accelerated critical illness (guaranteed premiums) per annum (GRB) (Scottish Provident)	217	7011	362				(464)
340	RL Accelerated critical illness (guaranteed premiums) per annum (Scottish Provident)	1215	28775	1335				(1494)
345	Ex SMA Accelerated critical illness (reviewable premiums)	8125	862030	5292				8647
345	Ex SMA Accelerated critical illness (reviewable premiums) per annum	33	760	43				(115)
345	Ex SPL Accelerated critical illness (reviewable premiums)	272	20237	136				290
345	Ex SPL Accelerated critical illness (reviewable premiums) per annum	6	91	3				(4)
345	RL Accelerated critical illness (reviewable premiums) (Bright Grey)	18146	1962243	11531				5041
345	RL Accelerated critical illness (reviewable premiums) (GRB) (Bright Grey)	1283	199736	1223				(886)
345	RL Accelerated critical illness (reviewable premiums) (GRB) (Scottish Provident)	2035	316452	1756				(293)
345	RL Accelerated critical illness (reviewable premiums) (Scottish Provident)	3968	528385	2938				2352
345	RL Accelerated critical illness (reviewable premiums) (Swiss Life)	2	66	1				10
345	RL Accelerated critical illness (reviewable premiums) per annum (GRB) (Scottish Provident)	18	388	19				(29)
345	RL Accelerated critical illness (reviewable premiums) per annum (Scottish Provident)	96	1874	84				(76)
350	Ex PLAL Stand-alone critical illness (guaranteed premiums)	505	29173	165				680
350	Ex SMA Stand-alone critical illness (guaranteed premiums)	7197	1548437	8472				15714

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
350	Ex SMA Stand-alone critical illness (guaranteed premiums) per annum	139	4293	195				(388)
350	Ex SPL Stand-alone critical illness (guaranteed premiums)	3081	775188	3373				13084
350	Ex SPL Stand-alone critical illness (guaranteed premiums) per annum	32	1411	55				(87)
350	RL Stand alone critical illness (guaranteed premiums) (Swiss Life)	276	9845	67				816
350	RL Stand-alone critical illness (guaranteed premiums) (Bright Grey)	520	222179	1160				(2385)
350	RL Stand-alone critical illness (guaranteed premiums) (GRB) (Scottish Provident)	1234	337092	1954				(220)
350	RL Stand-alone critical illness (guaranteed premiums) (Scottish Provident)	2790	671277	4282				3066
350	RL Stand-alone critical illness (guaranteed premiums) per annum (GRB) (Scottish Provident)	17	924	42				(38)
350	RL Stand-alone critical illness (guaranteed premiums) per annum (Scottish Provident)	58	3031	118				(97)
355	Ex SMA Stand-alone critical illness (reviewable premiums)	397	66197	419				695
355	Ex SMA Stand-alone critical illness (reviewable premiums) per annum	5	120	6				(10)
355	Ex SPL Stand-alone critical illness (reviewable premiums)	82	11786	62				254
355	Ex SPL Stand-alone critical illness (reviewable premiums) per annum	2	50	1				0
355	RL Stand alone critical illness (reviewable premiums) (Swiss Life)	4	78	1				5
355	RL Stand-alone critical illness (reviewable premiums) (Bright Grey)	1036	447020	2515				(2351)

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
355	RL Stand-alone critical illness (reviewable premiums) (GRB) (Scottish Provident)	75	15126	104				14
355	RL Stand-alone critical illness (reviewable premiums) (Scottish Provident)	205	40799	239				216
355	RL Stand-alone critical illness (reviewable premiums) per annum (GRB) (Scottish Provident)	2	70	5				(5)
355	RL Stand-alone critical illness (reviewable premiums) per annum (Scottish Provident)	5	166	9				(10)
360	Ex SMA Income protection non-profit (guaranteed premiums)	12289	364132	9733				(37864)
360	Ex SPL Income protection non-profit (guaranteed premiums)	949	42222	1007				(3597)
360	RL Income protection non-profit (guaranteed premiums)	127	932	25				232
360	RL Income protection non-profit (guaranteed premiums) (Bright Grey)	7719	182845	4649				(17153)
360	RL Income protection non-profit (guaranteed premiums) (Scottish Provident)	5663	209999	5453				(22012)
360	RL Income protection non-profit (guaranteed premiums) (Swiss Life)	40	338	12				(44)
365	Ex SMA Income protection non-profit (reviewable premiums)	762	21349	538				(1880)
365	Ex SPL Income protection non-profit (reviewable premiums)	51	1511	35				(106)
365	RL Income protection non-profit (reviewable premiums) (Scottish Provident)	407	13933	360				(1313)
380	Ex RA Miscellaneous protection rider		681	1				1
380	Ex SMA Miscellaneous protection rider	113	4624					462

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
380	Ex SMA Miscellaneous protection rider per annum		50015	2501				
380	Ex SPL Miscellaneous protection rider per annum		10609	530				
380	RL Miscellaneous protection rider (Bright Grey)		51368	1772				
380	RL Miscellaneous protection rider per annum (Scottish Provident)		16534	827				
385	Ex PLAL Income protection claims in payment		204					1123
385	Ex SMA Income protection claims in payment		131					16528
385	Ex SPL Income protection claims in payment							3424
385	RL Income protection claims in payment	7						176
385	RL Income protection claims in payment (Bright Grey)							5388
385	RL Income protection claims in payment (Swiss Life)		24					110
395	Ex RA Annuity non-profit (PLA)	157	87					579
395	Ex SL Annuity non-profit (PLA) (individual)	72	199					1928
395	RL Annuity non-profit (PLA)	138	85					540
395	RL Annuity non-profit (PLA) (intermediary) (individual)	3	4					29
400	Ex SL Annuity non-profit (CPA) (group)	60	40					505

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
400	Ex SL Annuity non-profit (CPA) (individual)	83	735					4892
400	RL Annuity non-profit (CPA) (intermediary) (group)	6	6					66
400	RL Annuity non-profit (CPA) (intermediary) (individual)	4	13					114
410	Ex SL Group Life		1721	5				1
420	Ex SL Group income protection		791	121				81
425	Ex SL Group income protection claims in payment							10568
435	Ex SMA Miscellaneous non-profit	177	383	48				139
440	Ex CL Additional reserves non-profit OB (extra premiums)							0
440	Ex CL Additional reserves non-profit OB (LAPR)							2
440	Ex RL(CIS) Additional reserves non-profit OB (expenses)							8380
440	Ex RL(CIS) Additional reserves non-profit OB (rate card charges)							(9214)
440	Ex RLA Additional reserves non-profit OB (expenses)							5526
440	Ex RLA Additional reserves non-profit OB (rate card charges)							(9743)
440	Ex UFI additional reserves non-profit OB (options and guarantees)							3
445	Ex RL(CIS) Additional reserves non-profit IB (expenses)							36802

Name of insurer	The Royal London Mutual Insurance Society Limited
Total business / subfund	Royal London IB & OB Subfund
Financial year ended	31 December 2015
Units	£000
UK Life / Gross	

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / Reinsurance ceded external

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
300	RL Regular premium non-profit WL/EA OB (Bancassurance)		56427	1019				(228)
300	RL Regular premium non-profit WL/EA OB (GRB)		7060	137				210
300	RL Regular premium non-profit WL/EA OB (GRB) (D2C)		48234	271				(374)
300	RL Regular premium non-profit WL/EA OB (GRB) (Scottish Provident)		2379308	1247				6694
325	Ex PLAL Level term assurance		650059	1973				4660
325	Ex SMA Level term assurance		2167839	3802				9358
325	Ex SMA Level term assurance per annum		18227	304				(772)
325	Ex SPL Level term assurance		1367849	2479				4914
325	Ex SPL Level term assurance per annum		16841	311				(758)
325	RL Level term assurance (Bancassurance)		328686	519				801
325	RL Level term assurance (Bright Grey)		19089036	25941				49047
325	RL Level term assurance (GRB) (Bright Grey)		9435529	5137				23228
325	RL Level term assurance (GRB) (D2C)		212020	303				611
330	Ex PLAL Decreasing term assurance		902870	3367				(463)
330	Ex SMA Decreasing term assurance		344928	1155				390

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / Reinsurance ceded external

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
330	Ex SPL Decreasing term assurance		225296	757				(50)
330	RL Decreasing term assurance (Bancassurance)		478290	959				533
330	RL Decreasing term assurance (Bright Grey)		6014848	10634				14955
330	RL Decreasing term assurance (GRB) (Bright Grey)		6274803	3464				15010
330	RL Decreasing term assurance (GRB) (D2C)		28718	45				50
336	Ex SMA Mortality risk premium reinsurance		3679384	6037				6882
336	Ex SMA Mortality risk premium reinsurance per annum		20377	195				35
336	Ex SPL Mortality risk premium reinsurance		47710	92				52
336	Ex SPL Mortality risk premium reinsurance per annum		309	3				(2)
336	RL Mortality risk premium reinsurance (Scottish Provident)		8267153	8650				28311
336	RL Mortality risk premium reinsurance per annum (GRB) (Scottish Provident)		135395	687				2015
336	RL Mortality risk premium reinsurance per annum (Scottish Provident)		335496	2947				4644
336	RL Mortality risk premium reinsurance (GRB) (Scottish Provident)		5045714	2725				13743
340	Ex PLAL Accelerated critical illness (guaranteed premiums)		1591866	11663				(6117)
340	Ex SMA Accelerated critical illness (guaranteed premiums)		5622310	27740				51212

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / Reinsurance ceded external

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
340	Ex SMA Accelerated critical illness (guaranteed premiums) per annum		13382	502				(421)
340	Ex SPL Accelerated critical illness (guaranteed premiums)		1004899	5537				17922
340	Ex SPL Accelerated critical illness (guaranteed premiums) per annum		3057	125				(160)
340	RL Accelerated critical illness (guaranteed premiums) (Bancassurance)		458634	1954				(2117)
340	RL Accelerated critical illness (guaranteed premiums) (Bright Grey)		3779424	10854				19873
340	RL Accelerated critical illness (guaranteed premiums) (GRB) (Bright Grey)		3961562	6665				20026
340	RL Accelerated critical illness (guaranteed premiums) (GRB) (Scottish Provident)		2404510	4936				19014
340	RL Accelerated critical illness (guaranteed premiums) (Scottish Provident)		3304245	10997				18954
340	RL Accelerated critical illness (guaranteed premiums) (Swiss Life)		10700	94				733
340	RL Accelerated critical illness (guaranteed premiums) per annum (GRB) (Scottish Provident)		6386	186				432
340	RL Accelerated critical illness (guaranteed premiums) per annum (Scottish Provident)		23767	811				859
345	Ex SMA Accelerated critical illness (reviewable premiums)		515682	2884				502
345	Ex SMA Accelerated critical illness (reviewable premiums) per annum		520	22				1
345	Ex SPL Accelerated critical illness (reviewable premiums)		15914	95				265
345	Ex SPL Accelerated critical illness (reviewable premiums) per annum		79	2				(3)

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / Reinsurance ceded external

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
345	RL Accelerated critical illness (reviewable premiums) (Bright Grey)		1535568	7230				9455
345	RL Accelerated critical illness (reviewable premiums) (GRB) (Bright Grey)		180414	759				608
345	RL Accelerated critical illness (reviewable premiums) (GRB) (Scottish Provident)		284927	763				1935
345	RL Accelerated critical illness (reviewable premiums) (Scottish Provident)		432965	1527				1984
345	RL Accelerated critical illness (reviewable premiums) (Swiss Life)		66	1				10
345	RL Accelerated critical illness (reviewable premiums) per annum (GRB) (Scottish Provident)		350	10				13
345	RL Accelerated critical illness (reviewable premiums) per annum (Scottish Provident)		1549	51				38
350	Ex PLAL Stand-alone critical illness (guaranteed premiums)		14586	94				64
350	Ex SMA Stand-alone critical illness (guaranteed premiums)		909975	4091				11346
350	Ex SMA Stand-alone critical illness (guaranteed premiums) per annum		2937	97				(23)
350	Ex SPL Stand-alone critical illness (guaranteed premiums)		608592	2376				12216
350	Ex SPL Stand-alone critical illness (guaranteed premiums) per annum		1205	44				(43)
350	RL Stand alone critical illness (guaranteed premiums) (Swiss Life)		9845	67				816
350	RL Stand-alone critical illness (guaranteed premiums) (Bright Grey)		200017	294				99
350	RL Stand-alone critical illness (guaranteed premiums) (GRB) (Scottish Provident)		304364	597				3260

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / Reinsurance ceded external

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
350	RL Stand-alone critical illness (guaranteed premiums) (Scottish Provident)		516180	1841				2191
350	RL Stand-alone critical illness (guaranteed premiums) per annum (GRB) (Scottish Provident)		841	20				64
350	RL Stand-alone critical illness (guaranteed premiums) per annum (Scottish Provident)		2499	59				67
355	Ex SMA Stand-alone critical illness (reviewable premiums)		35086	183				90
355	Ex SMA Stand-alone critical illness (reviewable premiums) per annum		61	2				(1)
355	Ex SPL Stand-alone critical illness (reviewable premiums)		9431	45				231
355	Ex SPL Stand-alone critical illness (reviewable premiums) per annum		41	1				1
355	RL Stand alone critical illness (reviewable premiums) (Swiss Life)		78	1				5
355	RL Stand-alone critical illness (reviewable premiums) (Bright Grey)		362459	1407				(132)
355	RL Stand-alone critical illness (reviewable premiums) (GRB) (Scottish Provident)		13614	41				134
355	RL Stand-alone critical illness (reviewable premiums) (Scottish Provident)		31001	111				69
355	RL Stand-alone critical illness (reviewable premiums) per annum (GRB) (Scottish Provident)		63	3				3
355	RL Stand-alone critical illness (reviewable premiums) per annum (Scottish Provident)		128	5				2
360	Ex SMA Income protection non-profit (guaranteed premiums)		289519	2219				(30552)
360	Ex SPL Income protection non-profit (guaranteed premiums)		32229	675				(2256)

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / Reinsurance ceded external

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
360	RL Income protection non-profit (guaranteed premiums) (Bright Grey)		118846	1017				(3509)
360	RL Income protection non-profit (guaranteed premiums) (Scottish Provident)		171455	166				(7047)
360	RL Income protection non-profit (guaranteed premiums) (Swiss Life)		338	12				(44)
365	Ex SMA Income protection non-profit (reviewable premiums)		17233	65				(1457)
365	Ex SPL Income protection non-profit (reviewable premiums)		1154	23				(65)
365	RL Income protection non-profit (reviewable premiums) (Scottish Provident)		11351	11				(437)
380	Ex SMA Miscellaneous protection rider		2797					280
385	Ex SMA Income protection claims in payment		5					10951
385	Ex SPL Income protection claims in payment							2326
385	RL Income protection claims in payment (Bright Grey)							2455
385	RL Income protection claims in payment (Swiss Life)		24					110
425	Ex SL Group income protection claims in payment							10568
435	Ex SMA Miscellaneous non-profit		305					91

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
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
155	Ex RA Conventional pens endowment with-profits	19657	297512	3588				177716
155	Ex RA Conventional pens endowment with-profits (with GAR)	12405	171552	1020				158326
165	Ex RA Conventional deferred annuity with-profits	20563	35040	1418				367835
165	RL Conventional deferred annuity with-profits	70	77					1180
210	Ex RA Additional reserves with-profits OB (pension review)							7331
210	Ex RL(CIS) Additional reserves with-profits OB (expenses)							133867
210	Ex RL(CIS) Additional reserves with-profits OB (rate card charges)							(217498)
210	Ex RLA Additional reserves with-profits OB (expenses)							237
210	Ex RLA Additional reserves with-profits OB (rate card charges)							(517)
210	Ex SL Additional reserves with-profits OB (asset share charges)							(38522)
210	Ex SL Additional reserves with-profits OB (expenses)							11612
210	RL Additional reserves with-profits OB (Transformation project)							33200
210	RL additional reserves with-profits OB (UFI pension review)							12112
305	RL Single premium non-profit WL/EA OB (intermediary)		105					78
325	Ex CL Level term assurance	6	150	1				2

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
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
325	Ex PLAL Level term assurance	3370	111462	511				(272)
325	Ex RA Level term assurance	1756	32616	159				182
325	Ex SL Level term assurance	87	3605	8				22
325	Ex SMA Level term assurance	332	63149	161				(59)
325	Ex UFI Level term assurance	24	984	4				3
325	Ex UFLA Level term assurance	26	1838	7				8
325	RL Level term assurance	735	32322	124				108
325	RL Level term assurance (Bright Grey)	673	130046	304				(77)
325	RL Level term assurance (Scottish Provident)		35	0				(0)
330	Ex SL Decreasing term assurance	2	341	0				0
330	Ex SMA Decreasing term assurance	93	11965	28				(46)
330	RL Decreasing term assurance (Bright Grey)	346	36767	114				(101)
380	RL Miscellaneous protection rider		4174	80				105
390	Ex RA Deferred annuity non-profit	4231	1501					17513
390	Ex SL Deferred annuity non-profit		50973	57				49018

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
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	Ex SL Deferred annuity non-profit (with GAR)		50193	69				50694
390	RL Deferred annuity non-profit (intermediary)		1125					25062
390	RL Deferred annuity non-profit (intermediary) (with GAR)		105					1308
400	Ex CL Annuity non-profit (CPA)	22	2					29
400	Ex PLAL Annuity non-profit (CPA)	9823	5927					98043
400	Ex RA Annuity non-profit (CPA)	762	167					1881
400	Ex RIL Annuity Non-Profit (CPA)	24	10					161
400	Ex SL Annuity non-profit (CPA) (group)	1054	1123					9941
400	Ex SL Annuity non-profit (CPA) (individual)	112	190					2327
400	Ex UFI Annuity Non-Profit (CPA)	4	1					27
400	Ex UFLA Annuity Non-Profit (CPA)	1	0					3
400	RL Annuity non-profit (CPA)	325	254					4339
400	RL Annuity non-profit (CPA) (Bancassurance)	6409	3673					71910
400	RL Annuity non-profit (CPA) (intermediary) (group)	3834	6585					109191
400	RL Annuity non-profit (CPA) (intermediary) (individual)	13123	23499					377311

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
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
410	Ex SL Group Life	323	15396	65				16
435	Ex SL Miscellaneous non-profit	358	737	115				300
440	Ex CL Additional reserves non-profit OB (extra premiums)							0
440	Ex RL(CIS) Additional reserves non-profit OB (expenses)							49515
440	Ex RL(CIS) Additional reserves non-profit OB (rate card charges)							(63338)
440	Ex RLA Additional reserves non-profit OB (expenses)							2829
440	Ex RLA Additional reserves non-profit OB (rate card charges)							(5180)
440	RL Additional reserves non-profit OB (DWP redress)							495

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Pension / Reinsurance ceded external

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
325	Ex SMA Level term assurance		56920	81				304
325	Ex UFLA Level term assurance		1470					
325	RL Level term assurance (Bright Grey)		117575	196				305
325	RL Level term assurance (Scottish Provident)		32	0				(0)
330	Ex SMA Decreasing term assurance		10768	12				18
330	RL Decreasing term assurance (Bright Grey)		30088	67				18
380	RL Miscellaneous protection rider		3605	44				51
400	Ex SL Annuity non-profit (CPA) (group)		191					6440
400	Ex SL Annuity non-profit (CPA) (individual)		195					1289
400	RL Annuity non-profit (CPA) (intermediary) (group)		5300					87545
400	RL Annuity non-profit (CPA) (intermediary) (individual)		22473					342206

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
Overseas / 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
210	Ex RLA Additional reserves with-profits OB (expenses)							4201
210	Ex RLA Additional reserves with-profits OB (rate card charges)							(8004)
215	Ex RLA Additional reserves with-profits IB (expenses)							7484
215	Ex RLA Additional reserves with-profits IB (rate card charges)							(13167)
325	RL Level term assurance (Bright Grey)	2518	591342	1245				1216
325	RL Level term assurance (Caledonian)	9928	3576069	7556				(2778)
330	RL Decreasing term assurance (Bright Grey)	2795	564982	1075				112
330	RL Decreasing term assurance (Caledonian)	13589	2274823	5388				(2884)
340	RL Accelerated critical illness (guaranteed premiums) (Bright Grey)	786	161931	800				39
340	RL Accelerated critical illness (guaranteed premiums) (Caledonian)	8427	676635	4495				(5839)
345	RL Accelerated critical illness (reviewable premiums) (Bright Grey)	379	64638	406				214
350	RL Stand-alone critical illness (guaranteed premiums) (Bright Grey)	5	2575	15				(21)
355	RL Stand-alone critical illness (reviewable premiums) (Bright Grey)	26	20035	101				(44)
360	RL Income protection non-profit (guaranteed premiums) (Bright Grey)	56	2217	64				(251)
360	RL Income protection non-profit (guaranteed premiums) (Caledonian)	487	9569	412				(978)

Name of insurer	The Royal London Mutual Insurance Society Limited
Total business / subfund	Royal London IB & OB Subfund
Financial year ended	31 December 2015
Units	£000
Overseas / Gross	

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
Overseas / Reinsurance ceded external

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
325	RL Level term assurance (Bright Grey)		538687	732				1486
325	RL Level term assurance (Caledonian)		3251474	2323				10736
330	RL Decreasing term assurance (Bright Grey)		496242	659				715
330	RL Decreasing term assurance (Caledonian)		2056656	1806				10436
340	RL Accelerated critical illness (guaranteed premiums) (Bright Grey)		133816	366				567
340	RL Accelerated critical illness (guaranteed premiums) (Caledonian)		473252	1237				1321
345	RL Accelerated critical illness (reviewable premiums) (Bright Grey)		52464	265				362
350	RL Stand-alone critical illness (guaranteed premiums) (Bright Grey)		2318	5				4
355	RL Stand-alone critical illness (reviewable premiums) (Bright Grey)		16025	64				11
360	RL Income protection non-profit (guaranteed premiums) (Bright Grey)		1494	20				(85)
360	RL Income protection non-profit (guaranteed premiums) (Caledonian)		8612	106				382

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Refuge Assurance IB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
105	Ex RA Conventional whole life with-profits IB	75393	82557	1476				69595
105	Ex RA Conventional whole life with-profits IB (with non-profit recurring endowments)	188	43	1				49
105	Ex RA Conventional whole life with-profits IB (with with-profit recurring endowments)	3562	3438	66				2255
130	Ex RA Conventional endowment with-profits IB	2423	9623	343				8011
130	Ex RA Conventional endowment with-profits IB (with additional death benefits)	691	6778	90				2274
130	Ex RA Conventional endowment with-profits IB (with non-profit recurring endowments)	1	4					4
215	Ex RA Additional reserves with-profits IB (Transformation project)							500
310	Ex RA Non-profit IB	328952	11982					28622

Name of insurer	The Royal London Mutual Insurance Society Limited
Total business / subfund	United Friendly OB Subfund
Financial year ended	31 December 2015
Units	£000
UK Life / Gross	

[illegible]

Name of insurer	<b>The Royal London Mutual Insurance Society Limited</b>
Total business / subfund	<b>United Friendly OB Subfund</b>
Financial year ended	<b>31 December 2015</b>
Units	<b>£000</b>
UK Pension / Gross	

[illegible]

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

Name of insurer	<b>The Royal London Mutual Insurance Society Limited</b>
Total business / subfund	<b>United Friendly IB Subfund</b>
Financial year ended	<b>31 December 2015</b>
Units	<b>£000</b>
UK Life / Gross	

[illegible]

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Scottish Life Fund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
100	Ex SL Conventional whole life with-profits OB	1118	7049	39				6142
120	Ex SL Conventional endowment with-profits OB savings	327	2739	49				2524
125	Ex SL Conventional endowment with-profits OB target cash	1409	20592	775				18817
165	Ex SL Conventional deferred annuity with-profits	3	2					21
205	Ex SL Miscellaneous conventional with-profits		18					0
300	Ex SL Regular premium non-profit WL/EA OB	99	2					10
325	Ex SL Level term assurance		381	2				10
330	Ex SL Decreasing term assurance			0				0
335	Ex SL Decreasing term assurance (rider benefits)		24097	79				38
390	Ex SL Deferred annuity non-profit	147	17					286
410	Ex SL Group Life		18279	49				12
420	Ex SL Group income protection		328	31				11
425	Ex SL Group income protection claims in payment							4483
435	Ex SL Miscellaneous non-profit	53	8					

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Scottish Life Fund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / Reinsurance ceded external

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
425	Ex SL Group income protection claims in payment							4483

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Scottish Life Fund**  
Financial year ended **31 December 2015**  
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
155	Ex SL Conventional pensions endowment with-profits		289758	1616				301229
155	Ex SL Conventional pensions endowment with-profits (with GAR)	706	381061	1327				530295
155	RL Conventional pensions endowment with-profits (intermediary)		16					15
175	Ex SL Group conventional deferred annuity with-profits	393	1868	195				50686
185	Ex SL Group conventional pensions endowment with-profits		22147	112				20639
185	Ex SL Group conventional pensions endowment with-profits (with GAR)	308	18147	39				26553
205	Ex SL Miscellaneous conventional with-profits	3	672					2
210	Ex SL Additional reserves with-profits OB (Transformation project)							4600
300	Ex SL Regular premium non-profit WL/EA OB	33	16070					15789
300	Ex SL Regular premium non-profit WL/EA OB (with GAR)							26348
325	Ex SL Level term assurance	60	2431	2				12
390	Ex SL Deferred annuity non-profit	5007	8307	42				154397
390	Ex SL Deferred annuity non-profit (with GAR)	2144	2354	12				43745
410	Ex SL Group Life	77	252699	1066				6
435	Ex SL Miscellaneous non-profit	42	1513	230				585

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal Liver Assurance Fund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
100	Ex RLA Conventional whole life with-profits OB	12119	38059	162				37762
105	Ex RLA Conventional whole life with-profits IB	3098	5639	32				4720
105	Ex RLA Conventional whole life with-profits IB (Friends Provident)	43364	33545	579				30333
115	Ex RLA Conventional whole life with-profits OB (tax exempt)	359	296	1				424
120	Ex RLA Conventional endowment with-profits OB savings	4120	28195	955				23456
125	Ex RLA Conventional endowment with-profits OB target cash	583	14448	287				7955
130	Ex RLA Conventional endowment with-profits IB	347	892	41				835
130	Ex RLA Conventional endowment with-profits IB (Friends Provident)	12686	11751	663				11247
140	Ex RLA Conventional endowment with-profits OB (tax exempt)	33	44	0				47
210	Ex RLA Additional reserves with-profits OB							7767
210	Ex RLA Additional reserves with-profits OB (Transformation project)							800
215	Ex RLA Additional reserves with-profits IB							47
300	Ex RLA Regular premium non-profit WL/EA OB	5789	6855	70				7049
310	Ex RLA Non-profit IB	36904	24413	414				25322
310	Ex RLA Non-profit IB (Friends Provident)	132197	5928					10319

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal Liver Assurance Fund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
310	Ex RLA Non-profit IB (tax exempt)	901687	33160	643				114810
325	Ex RLA Level term assurance	1583	93368	237				486
330	Ex RLA Decreasing term assurance	537	22319	81				116
345	Ex RLA Accelerated critical illness (reviewable premiums)	34	2402	9				14
355	Ex RLA Stand-alone critical illness (reviewable premiums)	413	21784	109				951
375	Ex RLA Protection menu policy	51891	10808504	20194				63943
395	Ex RLA Annuity non-profit (PLA)	166	312					3398
440	Ex RLA Additional reserves non-profit OB							4608
445	Ex RLA Additional reserves non-profit IB							20

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal Liver Assurance Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**  
 UK Life / Reinsurance ceded external

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
375	Ex RLA Protection menu policy		9034022	16288				55128

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal Liver Assurance Fund**  
Financial year ended **31 December 2015**  
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
165	Ex RLA Conventional deferred annuity with-profits	538	2880	70				14703
210	Ex RLA Additional reserves with-profits OB							20
210	Ex RLA Additional reserves with-profits OB (Transformation project)							1200
325	Ex RLA Level term assurance	408	9662	28				184
375	Ex RLA Protection menu policy	5921	1311525	2679				8916
400	Ex RLA Annuity non-profit (CPA)	4559	3777					72178
440	Ex RLA Additional reserves non-profit OB							1120

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal Liver Assurance Fund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Pension / Reinsurance ceded external

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
375	Ex RLA Protection menu policy		1180373	2175				8523

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal Liver Assurance Fund**  
Financial year ended **31 December 2015**  
Units **£000**  
Overseas / 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
100	Ex RLA Conventional whole life with-profits OB	1857	8116	147				7397
100	Ex RLA Conventional whole life with-profits OB (Caledonian)	480	4477	116				2460
105	Ex RLA Conventional whole life with-profits IB	9352	15894	141				12599
105	Ex RLA Conventional whole life with-profits IB (Irish Life)	45544	19656	28				23933
115	Ex RLA Conventional whole life with-profits OB (tax exempt)	19	18	0				25
120	Ex RLA Conventional endowment with-profits OB savings	8775	91098	3755				67750
120	Ex RLA Conventional endowment with-profits OB savings (Caledonian)	237	3458	136				2752
125	Ex RLA Conventional endowment with-profits OB target cash	2842	61222	1163				26256
130	Ex RLA Conventional endowment with-profits IB	8101	21968	1176				16895
130	Ex RLA Conventional endowment with-profits IB (Irish Life)	628	5453	55				565
140	Ex RLA Conventional endowment with-profits OB (tax exempt)	4	5	0				6
165	Ex RLA Conventional deferred annuity with-profits (Caledonian)	2228	36692	734				68462
210	Ex RLA Additional reserves with-profits OB							14327
210	Ex RLA Additional reserves with-profits OB (Transformation project)							2000
300	Ex RLA Regular premium non-profit WL/EA OB	1232	3545	13				3285

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal Liver Assurance Fund**  
Financial year ended **31 December 2015**  
Units **£000**  
Overseas / 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
300	Ex RLA Regular premium non-profit WL/EA OB (Caledonian)	170	617	10				502
310	Ex RLA Non-profit IB	41126	33736	604				32716
310	Ex RLA Non-profit IB (Irish Life)	95841	18680	834				19863
310	Ex RLA Non-profit IB (tax exempt)	247115	9945	223				42551
325	Ex RLA Level term assurance	4226	275855	777				2893
325	Ex RLA Level term assurance (Caledonian)	15934	2713594	8126				26973
330	Ex RLA Decreasing term assurance	333	24064	72				287
330	Ex RLA Decreasing term assurance (Caledonian)	35438	3983275	11415				(730)
340	Ex RLA Accelerated critical illness (guaranteed premiums) (Caledonian)	1497	114662	716				1125
355	Ex RLA Stand-alone critical illness (reviewable premiums)	672	39965	181				1786
390	Ex RLA Deferred annuity non-profit (Caledonian)	37	511					852
400	Ex RLA Annuity non-profit (CPA)	350	600					11153
400	Ex RLA Annuity non-profit (CPA) (Caledonian)	891	3198					47953
440	Ex RLA Additional reserves non-profit OB							3336
445	Ex RLA Additional reserves non-profit IB							10

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

Name of insurer	<b>The Royal London Mutual Insurance Society Limited</b>
Total business / subfund	<b>Royal Liver Assurance Fund</b>
Financial year ended	<b>31 December 2015</b>
Units	<b>£000</b>
Overseas / Reinsurance ceded external	

[illegible]

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London (CIS) Ordinary and Industrial Life**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
100	Ex RL(CIS) Conventional whole life with-profits OB	125779	358081	17645				180476
105	Ex RL(CIS) Conventional whole life with-profits IB	589671	299084	371				239253
120	Ex RL(CIS) Conventional endowment with-profits OB savings	34985	182351	5581				158429
125	Ex RL(CIS) Conventional endowment with-profits OB target cash	20590	494612	10698				249967
130	Ex RL(CIS) Conventional endowment with-profits IB	10085	35234	1197				27510
165	Ex RL(CIS) Conventional deferred annuity with-profits	2	0					12
205	Ex RL(CIS) Miscellaneous conventional with-profits	2602	31945	211				(189)
210	Ex RL(CIS) Additional reserves with-profits OB							1605
210	Ex RL(CIS) Additional reserves with-profits OB (Transformation project)							7100
215	Ex RL(CIS) Additional reserves with-profits IB							53414
300	Ex RL(CIS) Regular premium non-profit WL/EA OB	9209	4287					3951
310	Ex RL(CIS) Non-profit IB	610431	51287					83441
325	Ex RL(CIS) Level term assurance	27916	1424072	5399				3091
330	Ex RL(CIS) Decreasing term assurance	13871	606142	3068				(2519)
345	Ex RL(CIS) Accelerated critical illness (reviewable premiums)	22027	801705	5400				10819

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London (CIS) Ordinary and Industrial Life**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
355	Ex RL(CIS) Stand-alone critical illness (reviewable premiums)	9077	312643	2237				3799
360	Ex RL(CIS) Income protection non-profit (guaranteed premiums)	388	1564	38				123
365	Ex RL(CIS) Income protection non-profit (reviewable premiums)	2432	24580	863				(1332)
385	Ex RL(CIS) Income protection claims in payment	22	112	2				645
395	Ex RL(CIS) Annuity non-profit (PLA)	253	338					2723
410	Ex RL(CIS) Group Life	16	281	3				5
435	Ex RL(CIS) Miscellaneous non-profit	6046	452327	1037				638
445	Ex RL(CIS) Additional reserves non-profit IB							1

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London (CIS) Ordinary and Industrial Life**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / Reinsurance ceded external

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
205	Ex RL(CIS) Miscellaneous conventional with-profits		22967	80				(73)
325	Ex RL(CIS) Level term assurance		1208685	2005				5264
330	Ex RL(CIS) Decreasing term assurance		544929	1204				64
345	Ex RL(CIS) Accelerated critical illness (reviewable premiums)		549112	2326				8479
355	Ex RL(CIS) Stand-alone critical illness (reviewable premiums)		217390	988				1306
360	Ex RL(CIS) Income protection non-profit (guaranteed premiums)		628	15				118
365	Ex RL(CIS) Income protection non-profit (reviewable premiums)		24580	863				(1332)
385	Ex RL(CIS) Income protection claims in payment		60					426
395	Ex RL(CIS) Annuity non-profit (PLA)		336					2783
435	Ex RL(CIS) Miscellaneous non-profit		83231	149				(183)

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London (CIS) Ordinary and Industrial Life**  
Financial year ended **31 December 2015**  
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
155	Ex RL(CIS) Conventional pensions endowment with-profits	9048	465063	6510				254413
155	Ex RL(CIS) Conventional pensions endowment with-profits (with GAR)	512568	5750445	35917				4547097
165	Ex RL(CIS) Conventional deferred annuity with-profits	66541	267219	3987				2257194
175	Ex RL(CIS) Group conventional deferred annuity with-profits	802	652	117				10762
185	Ex RL(CIS) Group conventional pensions endowment with-profits	4083	66085	199				46354
210	Ex RL(CIS) Additional reserves with-profits OB							19395
210	Ex RL(CIS) Additional reserves with-profits OB (Transformation project)							18500
325	Ex RL(CIS) Level term assurance	22965	402227	1681				477
400	Ex RL(CIS) Annuity non-profit (CPA)	190234	198921					3330793
410	Ex RL(CIS) Group Life		259720	217				217
411	Ex RL(CIS) Group death in service dependants' annuities		2565	15				15
435	Ex RL(CIS) Miscellaneous non-profit	34250	26008	823				4774

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

Name of insurer	<b>The Royal London Mutual Insurance Society Limited</b>
Total business / subfund	<b>Royal London (CIS) Ordinary and Industrial Life</b>
Financial year ended	<b>31 December 2015</b>
Units	<b>£000</b>
UK Pension / Reinsurance ceded external	

[illegible]

## Long-term insurance business : Valuation summary of accumulating with-profits contracts

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
500	Ex PLAL Life UWP single premium		1027				1	1
500	Ex RA Life UWP single premium		14938		14790	14614		14614
500	RL Life UWP single premium	6113	82807		81988	81875		81875
500	RL Life UWP single premium (Funeral Bond)	39074	117141		117136	117136	256	117392
500	RL Life UWP Single Premium (Intermediary)	28	1075		1065	1048		1048
505	RL Life UWP whole life regular premium	2552	15099	1583	15099	15110		15110
506	RL Life UWP whole life regular premium (ISA)	11039	67655	5563	67655	66912		66912
510	Ex SL Life UWP endowment regular premium - savings		9	1	14	14	128	142
510	RL Life UWP endowment regular premium - savings (intermediary)		999	62	769	769	4	774
515	Ex SL Life UWP endowment regular premium – target cash	24	20	0	393	346	1040	1386
515	RL Life UWP endowment regular premium – target cash (intermediary)	49	5289	201	2242	2242	11	2253
516	Ex PLAL Life UWP endowment regular premium (ISA)						51	51
575	RL Miscellaneous UWP (single premium ISA)	4165	6779		6779	6759		6759
610	Ex RL (CIS) Additional reserves UWP (expenses)						57839	57839
610	Ex RL (CIS) Additional reserves UWP (rate card charges)						(77640)	(77640)

**Long-term insurance business : Valuation summary of accumulating with-profits contracts**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
610	Ex RLA Additional reserves UWP (expenses)						337	337
610	Ex RLA Additional reserves UWP (rate card charges)						(591)	(591)
610	Ex SL Additional reserves UWP (asset share charges)						(1106)	(1106)

Name of insurer	The Royal London Mutual Insurance Society Limited
Total business / subfund	Royal London IB & OB Subfund
Financial year ended	31 December 2015
Units	£000
UK Life / Reinsurance ceded external	

[illegible]

Long-term insurance business : Valuation summary of accumulating with-profits contracts

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
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
525	Ex RA Individual Pensions UWP	6439	29517	1297	29517	29513	24	29536
525	Ex SL Individual pensions UWP		168376	2323	168376	168499	3911	172411
525	RL Individual Pensions UWP	149089	1245497	9050	1245497	1218627	97	1218723
525	RL Individual pensions UWP (intermediary)		99383	1780	100083	100022	504	100526
525	RL Individual Pensions UWP (with GAR)	8460	94469	1088	94469	71160	10305	81465
535	Ex SL Group money purchase pensions UWP		8956	114	8956	8977	4626	13603
535	Ex SL Group money purchase pensions UWP (final salary)		1440	152	1440	1440	315	1755
535	RL Group money purchase pensions UWP (intermediary)		9265	186	9265	9268	207	9475
535	RL Group money purchase pensions UWP (intermediary) (final salary)		2016	89	2016	2016	96	2111
580	Ex SL Term assurance rider		36880	158			39	39
580	RL Term assurance rider (intermediary)		83666	276			69	69
595	RL Income protection rider (intermediary)			8			2	2
605	Ex SL Miscellaneous protection rider		1125	76			203	203
605	RL Miscellaneous protection rider (intermediary)			2			2	2
610	Ex RL (CIS) Additional reserves UWP (expenses)						4819	4819

Long-term insurance business : Valuation summary of accumulating with-profits contracts

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
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
610	Ex RL (CIS) Additional reserves UWP (rate card charges)						(5850)	(5850)
610	Ex RLA Additional reserves UWP (expenses)						26755	26755
610	Ex RLA Additional reserves UWP (rate card charges)						(40181)	(40181)
610	Ex SL Additional reserves UWP (asset share charges)						(15938)	(15938)
610	Ex SL Additional reserves UWP (expenses)						2714	2714
610	RL Additional reserves UWP (pension review)						69360	69360

**Long-term insurance business : Valuation summary of accumulating with-profits contracts**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London IB & OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**  
 Overseas / 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
500	RL Life UWP Single Premium (Intermediary)	1489	72154		70548	70086		70086
610	Ex RLA Additional reserves UWP (expenses)						6466	6466
610	Ex RLA Additional reserves UWP (rate card charges)						(11747)	(11747)

### Long-term insurance business : Valuation summary of accumulating with-profits contracts

Name of insurer	<b>The Royal London Mutual Insurance Society Limited</b>
Total business / subfund	<b>Scottish Life Fund</b>
Financial year ended	<b>31 December 2015</b>
Units	<b>£000</b>
UK Life / Gross	

[illegible]

Name of insurer	<b>The Royal London Mutual Insurance Society Limited</b>
Total business / subfund	<b>Scottish Life Fund</b>
Financial year ended	<b>31 December 2015</b>
Units	<b>£000</b>
UK Life / Reinsurance ceded external	

[illegible]

## Long-term insurance business : Valuation summary of accumulating with-profits contracts

Name of insurer	The Royal London Mutual Insurance Society Limited
Total business / subfund	Scottish Life Fund
Financial year ended	31 December 2015
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
525	Ex SL Individual pensions UWP		54513	495	54513	54470		54470
525	Ex SL Individual pensions UWP (with GAR)				36413	36413	1965	38378
525	RL Individual pensions UWP (intermediary)		1117	1	1117	1117		1117
535	Ex SL Group money purchase pensions UWP		43200	58	44530	44954		44954
535	Ex SL Group money purchase pensions UWP (with GAR)				216	216	38	254
545	Ex SL Individual deposit administration with-profits		3734	10	4632	4571		4571
545	Ex SL Individual deposit administration with-profits (with GAR)	43	88766	18	130074	128207	303	128510
555	Ex SL Group deposit administration with-profits	33745	243782	281	414242	422518	4939	427458
555	Ex SL Group deposit administration with-profits (with GAR)		960		1407	1406		1406
580	Ex SL Term assurance rider		53342	248			218	218
580	RL Term assurance rider (intermediary)		162	0			8	8
605	Ex SL Miscellaneous protection rider		232	9			224	224
610	Ex SL Additional reserves UWP		2378	24	2378	2378		2378

**Long-term insurance business : Valuation summary of accumulating with-profits contracts**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **PLAL With-Profits Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**  
 UK Life / 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
500	Ex PLAL Life UWP single premium	5266	102749		102749	102107		102107
505	Ex PLAL Life UWP whole life regular premium		3169	591	3169	3169		3169
510	Ex PLAL Life UWP endowment regular premium - savings		144508	8393	144508	144565		144565
516	Ex PLAL Life UWP endowment regular premium (ISA)	7486	20814	1656	20814	20813		20813



**Long-term insurance business : Valuation summary of accumulating with-profits contracts**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal Liver Assurance Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**  
 UK Life / 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
505	Ex RLA Life UWP whole life regular premium		4457	227	4915	4741	3403	8144

**Long-term insurance business : Valuation summary of accumulating with-profits contracts**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal Liver Assurance Fund**  
 Financial year ended **31 December 2015**  
 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
525	Ex RLA Individual pensions UWP		259179	940	259849	249850	17191	267041



Name of insurer	The Royal London Mutual Insurance Society Limited
Total business / subfund	Royal London (CIS) Ordinary and Industrial Life
Financial year ended	31 December 2015
Units	£000
UK Life / Gross	

[illegible]

Name of insurer	<b>The Royal London Mutual Insurance Society Limited</b>
Total business / subfund	<b>Royal London (CIS) Ordinary and Industrial Life</b>
Financial year ended	<b>31 December 2015</b>
Units	<b>£000</b>
UK Pension / Gross	

[illegible]

**Long-term insurance business : Valuation summary of accumulating with-profits contracts**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) With-Profits Stakeholder**  
 Financial year ended **31 December 2015**  
 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
525	Ex RL(CIS) Individual pensions UWP		320443	10575	320443	320443		320443



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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
700	Ex CL Life property linked single premium	7	45		42	42	1	43
700	Ex PLAL Life property linked single premium	23398	542513		537142	537142	539	537681
700	Ex RA Life property linked single premium	6253	36396		35576	35576	454	36030
700	Ex SL Life property linked single premium	1675	52520		50686	50686	531	51217
700	Ex UFI Life property linked single premium	460	3641		3641	3641	157	3798
700	Ex UFLA Life property linked single premium	300	12709		11707	11707	53	11760
700	Ex UFLA Life property linked single premium (with mortality gtee)	334	12800		12673	12673	292	12965
700	RL Life property linked single premium	94	1562		1562	1562	2	1564
700	RL Life property linked single premium (Bancassurance)	21	353		349	349	0	349
700	RL Life property linked single premium (intermediary)	466	19569		18596	18596	36	18631
710	Ex CL Life property linked whole life regular premium	268	13439	56	760	760	102	862
710	Ex PLAL Life property linked whole life regular premium	4930	106007	831	5662	5662	174	5835
710	Ex RA Life property linked whole life regular premium	2278	79623	827	7262	7262	703	7965
710	Ex SL Life property linked whole life regular premium	696	23703	230	3647	3647	77	3724
710	Ex SMA Life property linked whole life regular premium	60908	11356679	70016	102074	102074	28809	130883

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
710	Ex UFI Life property linked whole life regular premium	1456	26531	309	5613	5613	59	5672
710	Ex UFI Life property linked whole life regular premium (with critical illness cover option)	273	7691	61	1105	1105	8	1113
710	Ex UFLA Life property linked whole life regular premium	3569	185212	1554	17485	17485	1121	18606
710	RL Life property linked whole life regular premium (Bancassurance)	26	227	2	1	1	3	5
710	RL Life property linked whole life regular premium (Scottish Provident)	4560	2983439	4600	5808	5808	475	6284
715	Ex CL Life property linked endowment regular premium - savings	171	1994	54	1848	1848	13	1861
715	Ex PLAL Life property linked endowment regular premium - savings	29125	722349	10176	256627	256627	3679	260306
715	Ex RA Life property linked endowment regular premium - savings	8	78		78	78		78
715	Ex SL Life property linked endowment regular premium - savings	515	7120	157	6213	6213	55	6268
715	Ex UFI Life property linked endowment regular premium - savings	435	1757	17	1757	1757	1	1758
715	Ex UFLA Life property linked endowment regular premium - savings	77	1882	5	1882	1882	6	1888
715	RL Life property linked endowment regular premium - savings	81	1114	36	1114	1114	8	1123
715	RL Life property linked endowment regular premium - savings (intermediary)	182	2603	149	1610	1610	33	1643
720	Ex CL Life property linked endowment regular premium - target cash	207	6765	107	5209	5209	227	5436
720	Ex SL Life property linked endowment regular premium – target cash	8625	276608	5377	137451	137451	2164	139616

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
720	Ex UFI Life property linked endowment regular premium - target cash	82	2487	62	1710	1710	0	1711
720	Ex UFLA Life property linked endowment regular premium - target cash	314	10740	157	7400	7400	21	7421
720	RL Life property linked endowment regular premium – target cash (intermediary)	424	14768	511	7172	7172	158	7330
775	Ex SL Accelerated critical illness rider		88878				379	379
775	RL Accelerated critical illness rider (intermediary)		14250				57	57
780	Ex SL Stand-alone critical illness rider		9780				66	66
780	Ex UFI Stand-alone critical illness rider	22	414	5	84	84	2	86
780	Ex UFLA Stand-alone critical illness rider		22974					
780	RL Stand-alone critical illness rider (intermediary)		337				2	2
785	Ex UFI Income protection rider	3	6	1	10	10	0	10
785	Ex UFLA Income protection rider		12379					
790	Ex SL Miscellaneous protection rider			58			75	75
790	Ex UFI Miscellaneous protection rider		66	2			2	2
790	Ex UFLA Miscellaneous protection rider		787	20			3786	3786
790	RL Miscellaneous protection rider (intermediary)			16			13	13

Name of insurer	The Royal London Mutual Insurance Society Limited
Total business / subfund	Royal London IB & OB Subfund
Financial year ended	31 December 2015
Units	£000
UK Life / Gross	

[illegible]

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / Reinsurance ceded external

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
710	Ex PLAL Life property linked whole life regular premium		44108	201				
710	Ex SMA Life property linked whole life regular premium		5625632				8956	8956
710	Ex UFI Life property linked whole life regular premium		16735					
710	Ex UFI Life property linked whole life regular premium (with critical illness cover option)		5269					
710	Ex UFLA Life property linked whole life regular premium		134182					
710	RL Life property linked whole life regular premium (Scottish Provident)		2162906				141	141
715	Ex PLAL Life property linked endowment regular premium - savings		218154	1036				
720	Ex UFI Life property linked endowment regular premium - target cash		622					
720	Ex UFLA Life property linked endowment regular premium - target cash		2672					
780	Ex UFI Stand-alone critical illness rider		264					
780	Ex UFLA Stand-alone critical illness rider		18379					
785	Ex UFLA Income protection rider		9903					
790	Ex UFI Miscellaneous protection rider		53				2	2
790	Ex UFLA Miscellaneous protection rider		630				3066	3066
795	Ex SMA Miscellaneous property linked (term assurance)		77326				478	478

Name of insurer	The Royal London Mutual Insurance Society Limited
Total business / subfund	Royal London IB & OB Subfund
Financial year ended	31 December 2015
Units	£000
UK Life / Reinsurance ceded external	

[illegible]

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
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
725	Ex CL Individual pensions property linked	2697	40383	115	38437	38437	736	39173
725	Ex CL Individual pensions property linked (with GAR)	194	1372	9	1372	1372	978	2349
725	Ex PLAL Individual pensions property linked	104586	740900	20119	737794	737794	8068	745863
725	Ex RIL Individual pensions property linked	88338	1256391	1113	1256391	1256391	2307	1258698
725	Ex SL Individual pensions property linked	69913	790128	7377	984185	984185	(2848)	981337
725	Ex SL Individual pensions property linked (with GAR)	37120	521425	2191	521425	521425	(10003)	511422
725	Ex UFI Individual pensions property linked	17302	277329	1790	277329	277329	4710	282038
725	Ex UFLA Individual pensions property linked	6242	120377	691	115044	115044	667	115710
725	RL Individual pensions property linked	7821	81302	1954	81302	81302	1301	82603
725	RL Individual pensions property linked (Bancassurance)	2740	28922	1735	28922	28922	1	28923
725	RL Individual pensions property linked (intermediary)	726064	14952291	1010492	16161917	16161917	219374	16381290
735	Ex PLAL Group money purchase pensions property linked	17173	93733	811	93740	93740	239	93979
735	Ex SL Group money purchase pensions property linked	26541	212563	1046	252533	252533	(333)	252200
735	Ex SL Group money purchase pensions property linked (final salary)	3549	183034	1839	183034	183034	1868	184901
735	Ex SL Group money purchase pensions property linked (with GAR)	751	17197	160	17197	17197	(153)	17044

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
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
735	RL Group money purchase pensions property linked (Bancassurance)	1662	3929	256	3929	3929	2	3931
735	RL Group money purchase pensions property linked (intermediary)	31275	436309	12781	525316	525316	3240	528555
735	RL Group money purchase pensions property linked (intermediary) (final salary)	895	397483	3983	397483	397483	4056	401539
750	Ex SL Income drawdown property linked	297	19653		19653	19653	(88)	19565
750	RL Income drawdown property linked (intermediary)	3311	147178		147178	147178	(589)	146589
755	Ex SL Trustee investment plan		228		228	228		228
755	Ex UFLA Trustee Investment Plan		517		517	517	2	519
755	RL Trustee Investment Plan		2791434		2791434	2791434		2791434
770	Ex UFI Term assurance rider	1	32174	77	3769	3769	1	3770
790	Ex UFI Miscellaneous protection rider		597	20			20	20
790	Ex UFLA Miscellaneous protection rider		232	12			12	12
800	Ex CL Additional reserves property linked (extra premiums)						1	1
800	Ex RIL Additional reserves property linked (pension review)						7238	7238
800	Ex RL (CIS) Additional reserves property linked (expenses)						5687	5687
800	Ex RL (CIS) Additional reserves property linked (rate card charges)						(6880)	(6880)

Name of insurer	The Royal London Mutual Insurance Society Limited
Total business / subfund	Royal London IB & OB Subfund
Financial year ended	31 December 2015
Units	£000
UK Pension / Gross	

[illegible]

## Long-term insurance business : Valuation summary of property linked contracts

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Pension / Reinsurance ceded external

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
725	Ex SL Individual pensions property linked				4228	4228		4228
725	Ex UFLA Individual pensions property linked		4267					
725	RL Individual pensions property linked (intermediary)				1904421	1904421	(9720)	1894701
735	Ex SL Group money purchase pensions property linked				49660	49660		49660
735	RL Group money purchase pensions property linked (intermediary)				248381	248381		248381
750	Ex SL Income drawdown property linked				475	475		475
750	RL Income drawdown property linked (intermediary)				3968	3968		3968
770	Ex UFI Term assurance rider		22724					
790	Ex UFI Miscellaneous protection rider		477				16	16
790	Ex UFLA Miscellaneous protection rider		186				9	9

**Long-term insurance business : Valuation summary of property linked contracts**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London IB & OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**  
 Overseas / 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
700	RL Life property linked single premium (intermediary)	52	2701		2673	2673	6	2680
800	Ex RLA Additional reserves property linked (expenses)						1058	1058
800	Ex RLA Additional reserves property linked (rate card charges)						(1433)	(1433)



**Long-term insurance business : Valuation summary of property linked contracts**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal Liver Assurance Fund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Life / 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
700	Ex RLA Life property linked single premium	1339	14217		14217	14217	77	14294
710	Ex RLA Life property linked whole life regular premium	5426	23987	624	23529	23529	2416	25945
715	Ex RLA Life property linked endowment regular premium - savings	20	246	3	246	246	3	249

**Long-term insurance business : Valuation summary of property linked contracts**

Name of insurer	<b>The Royal London Mutual Insurance Society Limited</b>
Total business / subfund	<b>Royal Liver Assurance Fund</b>
Financial year ended	<b>31 December 2015</b>
Units	<b>£000</b>
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
725	Ex RLA Individual pensions property linked	37302	154735	2629	154165	154105	5364	159469

Name of insurer	The Royal London Mutual Insurance Society Limited
Total business / subfund	Royal Liver Assurance Fund
Financial year ended	31 December 2015
Units	£000
Overseas / Gross	

[illegible]

Name of insurer	<b>The Royal London Mutual Insurance Society Limited</b>
Total business / subfund	<b>Royal London (CIS) Ordinary and Industrial Life</b>
Financial year ended	<b>31 December 2015</b>
Units	<b>£000</b>
UK Pension / Gross	

**The Royal London Mutual Insurance Society Limited**  
**Royal London (CIS) Ordinary and Industrial Life**  
**31 December 2015**  
**£000**

[illegible]

Name of insurer	<b>The Royal London Mutual Insurance Society Limited</b>
Total business / subfund	<b>Royal London (CIS) Ordinary and Industrial Life</b>
Financial year ended	<b>31 December 2015</b>
Units	<b>£000</b>
UK Pension / Reinsurance ceded external	

[illegible]

Name of insurer	The Royal London Mutual Insurance Society Limited
Total business / subfund	Royal London IB & OB Subfund
Financial year ended	31 December 2015
Units	£000
UK Life / Gross	

[illegible]



Name of insurer	<b>The Royal London Mutual Insurance Society Limited</b>
Total business / subfund	<b>Royal London IB &amp; OB Subfund</b>
Financial year ended	<b>31 December 2015</b>
Units	<b>£000</b>
UK Pension / Gross	

[illegible]

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Royal London IB & OB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**  
UK Pension / Reinsurance ceded external

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	Ex SL Index linked annuity (group)		63		743	743		743
905	Ex SL Index linked annuity (individual)		139		930	930		930
905	RL Index linked annuity (intermediary) (group)		6		119	119		119
905	RL Index linked annuity (intermediary) (individual)		85		2403	2403		2403

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London IB & OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**  
 Overseas / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
910	RL Miscellaneous index linked (Bright Grey)	130	4017	103	(393)	(393)		(393)

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

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London IB & OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**  
 Overseas / Reinsurance ceded external

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
910	RL Miscellaneous index linked (Bright Grey)		2765	39	(140)	(140)		(140)

Long-term insurance business : Unit prices for internal linked funds

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business  
Financial year ended **31 December 2015**  
Units **£000**

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit management charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
RLL Managed	02 - life - balanced managed fund	122903		0.75	8.476522	8.706271	2.71
Royal London ANL Managed Fund	02 - life - balanced managed fund	712822		1.00	3.246726	3.312934	2.04
RLP Global Managed Pension Fund	11 - individual pension - stock market managed fund	4866680		1.00	9.061641	9.355140	3.24
RIL Pension Managed Fund	12 - individual pension - balanced managed fund	922666	Series 1	1.05	10.269491	10.543414	2.67
RIL Pension Managed Fund	12 - individual pension - balanced managed fund	169305	Series 2	1.05	10.269491	10.543414	2.67
RLP Adventurous Managed Pension Fund	12 - individual pension - balanced managed fund	348184		1.00	2.015091	2.090926	3.76
RLP Managed Pension Fund	12 - individual pension - balanced managed fund	2402776		1.00	10.809126	11.156368	3.21
Royal London ANL Pension Managed Fund	12 - individual pension - balanced managed fund	355424		1.00	3.975690	4.069597	2.36
Royal London Stakeholder Managed Fund	12 - individual pension - balanced managed fund	268504		1.00	3.870988	3.965842	2.45
UFI Series 1 - Pension UK Managed Fund	12 - individual pension - balanced managed fund	220298	UFI Policyholders	0.25	10.408585	10.577685	1.62
UFLA Series 2 - Pension Managed Fund	12 - individual pension - balanced managed fund	120601		1.00	12.583358	12.899290	2.51
RLP Defensive Managed Pension Fund	13 - individual pension - defensive managed fund	528107		1.00	2.907909	2.967914	2.06
RLP Global Blend Core Plus (Rathbone Global Alpha) Pension Fund	14 - individual pension - other managed fund	111979		1.45	1.926076	2.040858	5.96
CIS UK Growth Pension Fund	15 - individual pension - UK equity	215153	Series 1	1.00	2.023137	2.126213	5.09
RLP UK Equity Pension Fund	15 - individual pension - UK equity	932205		1.00	15.201793	15.421237	1.44
RLP UK Ethical Pension Fund	15 - individual pension - UK equity	112349		1.00	1.956635	1.971683	0.77
RLP UK Mid Cap Pension Fund	15 - individual pension - UK equity	182678		1.00	3.160491	3.329212	5.34
RLP American Pension Fund	16 - individual pension - overseas equity	104763		1.00	8.756951	9.167346	4.69

Name of insurer	<b>The Royal London Mutual Insurance Society Limited</b>
Total business	
Financial year ended	<b>31 December 2015</b>
Units	<b>£000</b>

[illegible]

**Long-term insurance business: Analysis of valuation interest rate**Name of insurer **The Royal London Mutual Insurance Society Limited**Subfund **Royal London IB & OB Subfund**Financial year ended **31 December 2015**Units **£000**

Product group 1	Net mathematical reserves 2	Net valuation interest rate 3	Gross valuation interest rate 4	Risk adjusted yield on matching assets 5
UK L&GA RL and ex RA OB WP Form 51 Assurances (Excl Option and Guarantee)	344547	3.20	3.53	3.85
UK L&GA RL IB WP Form 51 Assurances	161290	3.20	3.53	3.85
UK L&GA RL IB NP Form 51 Assurances	45031	3.20	3.53	3.85
UK L&GA RL, ex CL, ex RA, ex SL, ex UFI, ex UFLA, ex SMA, ex SPL and ex PLAL OB NP Form 51 Assurances (except PHI and gross roll up protection (GRB))	(33978)	3.20	3.53	3.85
UK L&GA OB WP Form 52 Unit Reserves (excl ISA and RL Life UWP single premium (Intermediary))	232149	3.20	3.53	3.85
UK L&GA RLOB WP Form 52 ISA	73671		3.75	3.90
UK L&GA OB WP Form 52 Non-Unit Reserves (excl PLAL ISA and ex RLA code 610)	334	1.80	2.25	2.61
UK L&GA ex PLAL OB WP Form 52 ISA sterling reserves	51		2.25	2.61
UK L&GA OB NP Form 53 Non-Unit Reserves (excl Contingency, PHI and ex RLA code 800)	25932	1.80	2.25	2.61
UK L&GA ex SMA OB NP PHI Form 53 Non-unit reserves	6701		2.25	2.61
UK Pens RL and ex RA OB WP Form 51 Assurances and Deferred Annuities (excl Pens Review)	739878		3.75	3.90
UK Pens ex SL OB WP Form 51 Expense Provision	11612		2.25	2.61
UK L&GA gross roll up and Pens RL, ex CL, ex PLAL, ex RA, ex SMA, ex UFI and ex UFLA OB NP Form 51 Assurances	(107627)		3.75	3.90
UK Pens OB NP Form 51 Annuities in Payment and RL Misc Protection Rider	237737		3.00	3.26
UK Pens OB WP Form 52 Unit Reserves and GAR Reserve	1656976		3.75	3.90
UK Pens OB WP Form 52 Non-Unit Reserves (excl GAR, Pensions Review and ex RLA code 610)	2811		2.25	2.61
UK Pens OB NP Form 53 Non-Unit Reserves (excl Pensions Review, Contingency and ex RLA code 800)	243261		2.25	2.61
OLAB RL OB NP Form 51 (caledonian) level and decreasing term assurance, accelerated critical illness	(35354)		3.75	3.90
Misc	(22234)	n/a	n/a	3.68
<b>Total</b>	<b>3582786</b>			

**Long-term insurance business: Analysis of valuation interest rate**Name of insurer **The Royal London Mutual Insurance Society Limited**Subfund **Refuge Assurance IB Subfund**Financial year ended **31 December 2015**Units **£000**

Product group 1	Net mathematical reserves 2	Net valuation interest rate 3	Gross valuation interest rate 4	Risk adjusted yield on matching assets 5
UK L&GA ex RA IB WP Form 51 Assurances	83055	3.60	3.80	4.08
UK L&GA ex RA IB NP Form 51 Assurances	28622	3.60	3.80	4.08
<b>Total</b>	111677			

**Long-term insurance business: Analysis of valuation interest rate**Name of insurer **The Royal London Mutual Insurance Society Limited**Subfund **United Friendly OB Subfund**Financial year ended **31 December 2015**Units **£000**

Product group 1	Net mathematical reserves 2	Net valuation interest rate 3	Gross valuation interest rate 4	Risk adjusted yield on matching assets 5
UK L&GA ex UFI OB WP Form 51 Assurances	75771	2.90	3.36	3.56
UK Pens ex UFI OB WP Form 51 Assurances	1446191		3.38	3.56
Misc	412	n/a	n/a	3.56
<b>Total</b>	1522374			



**Long-term insurance business: Analysis of valuation interest rate**Name of insurer **The Royal London Mutual Insurance Society Limited**Subfund **Scottish Life Fund**Financial year ended **31 December 2015**Units **£000**

Product group 1	Net mathematical reserves 2	Net valuation interest rate 3	Gross valuation interest rate 4	Risk adjusted yield on matching assets 5
UK L&GA SL OB WP Form 51 Assurances	27530	1.60	1.92	2.08
UK L&GA SL OB WP Form 52 Unit Reserves	14525	1.60	1.92	2.08
UK L&GA SL OB NP Form 51 Assurances	357	1.60	1.92	2.08
UK Pens SL OB WP Form 51 Assurances and Deferred Annuities	934909		2.00	2.08
UK Pens SL OB WP Form 52 Unit Reserves	708971		2.00	2.08
UK Pens SL OB NP Form 51 Assurances	240883		2.00	2.08
UK Pens SL OB WP Form 52 Non-Unit Reserves	7695		2.25	2.31
UK Pens SL OB NP Form 53 Non-Unit Reserves	5722		2.25	2.31
UK L&GA SL OB NP Form 51 Assurances (PHI)	11		3.00	3.21
<b>Total</b>	1940604			

**Long-term insurance business: Analysis of valuation interest rate**Name of insurer **The Royal London Mutual Insurance Society Limited**Subfund **PLAL With-Profits Fund**Financial year ended **31 December 2015**Units **£000**

Product group 1	Net mathematical reserves 2	Net valuation interest rate 3	Gross valuation interest rate 4	Risk adjusted yield on matching assets 5
UK L&GA OB WP Form 52 Unit Reserves (Excl ISA)	249841	3.40	3.73	3.92
UK L&GA OB WP Form 52 ISA Unit Reserves	20813		3.75	3.92
UK Pens OB WP Form 52 Unit Reserves	158965		3.75	3.92
<b>Total</b>	429619			

## Long-term insurance business: Analysis of valuation interest rate

Name of insurer **The Royal London Mutual Insurance Society Limited**Subfund **Royal Liver Assurance Fund**Financial year ended **31 December 2015**Units **£000**

Product group 1	Net mathematical reserves 2	Net valuation interest rate 3	Gross valuation interest rate 4	Risk adjusted yield on matching assets 5
UK L&GA ex RLA IB WP Form 51 Assurances	47214	2.25	2.25	2.50
UK L&GA ex RLA IB NP Form 51 Assurances	150471	2.25	2.25	2.50
UK L&GA ex RLA OB WP Form 51 Assurances	78212	2.25	2.25	2.50
UK L&GA ex RLA OB NP Form 51 Assurances	22039	2.25	2.25	2.50
UK L&GA ex RLA OB WP Form 52 Unit Reserves	4765	2.25	2.25	2.50
UK L&GA ex RLA OB WP Form 52 Non-Unit Reserves	3403	2.25	2.25	2.64
UK L&GA ex RLA OB NP Form 53 Non-Unit Reserves	2496	2.25	2.25	2.64
UK Pens ex RLA OB WP Form 51 Assurances and Deferred Annuities	15923		2.25	2.50
UK Pens ex RLA OB NP Form 51 Assurances	1697		2.25	2.50
UK Pens ex RLA OB NP Form 51 Annuities in Payment	72178		2.63	2.72
UK Pens ex RLA OB WP Form 52 Unit Reserves	251140		2.25	2.50
UK Pens ex RLA OB WP Form 52 Non-Unit Reserves	17191		2.25	2.64
UK Pens ex RLA OB NP Form 53 Non-Unit Reserves	5364		2.25	2.64
OLAB ex RLA IB & OB WP Form 51 Assurances and Deferred Annuities	245465		2.25	2.50
OLAB ex RLA IB and OB NP Form 51 Assurances	120640		2.25	2.50
OLAB ex RLA OB NP Form 51 Annuities in Payment	59106		2.63	2.72
OLAB ex RLA OB WP Form 52 Unit Reserves	227089		2.25	2.50
OLAB ex RLA OB WP Form 52 Non-Unit Reserves	59326		1.25	1.45
OLAB ex RLA OB NP Form 53 Non-Unit Reserves	2286		1.25	1.45
<b>Total</b>				

Units	£000
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**Long-term insurance business: Analysis of valuation interest rate**Name of insurer **The Royal London Mutual Insurance Society Limited**Subfund **Royal London (CIS) Ordinary and Industrial Life**Financial year ended **31 December 2015**Units **£000**

Product group 1	Net mathematical reserves 2	Net valuation interest rate 3	Gross valuation interest rate 4	Risk adjusted yield on matching assets 5
UK L&GA ex RL (CIS) IB & OB WP Form 51 Assurances	920911	2.90	3.31	3.72
UK L&GA ex RL (CIS) OB WP Form 52 Unit Reserves (non-ISA)	1365829	2.90	3.31	3.72
UK L&GA ex RL (CIS) OB WP Form 52 Unit Reserves (ISA)	255056		3.63	3.72
UK L&GA ex RL (CIS) IB & OB NP Form 51 Assurances	90050	2.90	3.31	3.72
UK L&GA ex RL (CIS) OB WP Form 52 Non-Unit Reserves	9557	1.80	2.25	2.64
UK Pens ex RL (CIS) OB WP Form 51 Assurances and Deferred Annuities (excluding pensions mis-selling provision)	5835124		3.63	3.85
UK Pens ex RL (CIS) OB NP Form 51 Assurances	7982		3.63	3.85
UK Pens ex RL (CIS) OB NP Form 52 Non-Unit Reserves	1103		2.25	2.51
UK Pens ex RL (CIS) OB NP Form 53 Non-Unit Reserves	1452		2.25	2.51
UK Pens ex RL (CIS) OB NP Form 51 Annuities in Payment	388258		3.13	3.47
Misc	67915	n/a	n/a	4.61
<b>Total</b>	8943237			

Units	£000
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**Long-term insurance business : Distribution of surplus**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Summary**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Valuation result**

Fund carried forward	11	43280401	42611482
Bonus payments in anticipation of a surplus	12	620167	212450
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	43900567	42823932
Mathematical reserves	21	43203790	42538372
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	696778	285560

**Composition of surplus**

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	696778	285560
Total	39	696778	285560

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	620167	212450
Cash bonuses	42		
Reversionary bonuses	43	76611	73110
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	696778	285560
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	696778	285560
Surplus carried forward	49		
Total (48+49)	59	696778	285560

**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 business : Distribution of surplus**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London IB & OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Valuation result**

Fund carried forward	11	27268355	25208923
Bonus payments in anticipation of a surplus	12	117271	90233
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	27385626	25299156
Mathematical reserves	21	27227274	25170783
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	158351	128373

**Composition of surplus**

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33	6442	5008
Surplus arising since the last valuation	34	151909	123365
Total	39	158351	128373

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	117271	90233
Cash bonuses	42		
Reversionary bonuses	43	41081	38140
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	158351	128373
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	158351	128373
Surplus carried forward	49		
Total (48+49)	59	158351	128373

**Percentage of distributed surplus allocated to policyholders**

Current year	61	100.00	100.00
Current year - 1	62	100.00	100.00
Current year - 2	63	100.00	100.00
Current year - 3	64	100.00	100.00

**Long-term insurance business : Distribution of surplus**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Total business / subfund **Refuge Assurance IB Subfund**  
Financial year ended **31 December 2015**  
Units **£000**

Financial year 1	Previous year 2
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**Valuation result**

Fund carried forward	11	111677	124197
Bonus payments in anticipation of a surplus	12	12229	12831
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14	1400	1474
Subtotal (11 to 14)	15	125306	138502
Mathematical reserves	21	111310	123762
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	13996	14740

**Composition of surplus**

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	13996	14740
Total	39	13996	14740

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	12229	12831
Cash bonuses	42		
Reversionary bonuses	43	367	435
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	12597	13266
Net transfer out of fund / part of fund	47	1400	1474
Total distributed surplus (46+47)	48	13996	14740
Surplus carried forward	49		
Total (48+49)	59	13996	14740

**Percentage of distributed surplus allocated to policyholders**

Current year	61	90.00	90.00
Current year - 1	62	90.00	90.00
Current year - 2	63	90.00	90.00
Current year - 3	64	90.00	90.00

**Long-term insurance business : Distribution of surplus**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **United Friendly OB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Valuation result**

Fund carried forward	11	1522374	1539361
Bonus payments in anticipation of a surplus	12	19243	11546
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14	2175	1311
Subtotal (11 to 14)	15	1543792	1552218
Mathematical reserves	21	1522044	1539105
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	21748	13113

**Composition of surplus**

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	21748	13113
Total	39	21748	13113

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	19243	11546
Cash bonuses	42		
Reversionary bonuses	43	330	256
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	19573	11802
Net transfer out of fund / part of fund	47	2175	1311
Total distributed surplus (46+47)	48	21748	13113
Surplus carried forward	49		
Total (48+49)	59	21748	13113

**Percentage of distributed surplus allocated to policyholders**

Current year	61	90.00	90.00
Current year - 1	62	90.00	90.00
Current year - 2	63	90.00	90.00
Current year - 3	64	90.00	90.00

**Long-term insurance business : Distribution of surplus**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **United Friendly IB Subfund**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Valuation result**

Fund carried forward	11	435976	446886
Bonus payments in anticipation of a surplus	12	23883	18235
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14	2868	2223
Subtotal (11 to 14)	15	462726	467344
Mathematical reserves	21	434050	445118
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	28677	22226

**Composition of surplus**

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	28677	22226
Total	39	28677	22226

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	23883	18235
Cash bonuses	42		
Reversionary bonuses	43	1926	1768
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	25809	20004
Net transfer out of fund / part of fund	47	2868	2223
Total distributed surplus (46+47)	48	28677	22226
Surplus carried forward	49		
Total (48+49)	59	28677	22226

**Percentage of distributed surplus allocated to policyholders**

Current year	61	90.00	90.00
Current year - 1	62	90.00	90.00
Current year - 2	63	90.00	90.00
Current year - 3	64	90.00	90.00

**Long-term insurance business : Distribution of surplus**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Scottish Life Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Valuation result**

Fund carried forward	11	2194429	2375224
Bonus payments in anticipation of a surplus	12	33281	39222
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	2227710	2414446
Mathematical reserves	21	2180509	2361070
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	47201	53375

**Composition of surplus**

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	47201	53375
Total	39	47201	53375

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	33281	39222
Cash bonuses	42		
Reversionary bonuses	43	13920	14153
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	47201	53375
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	47201	53375
Surplus carried forward	49		
Total (48+49)	59	47201	53375

**Percentage of distributed surplus allocated to policyholders**

Current year	61	100.00	100.00
Current year - 1	62	100.00	100.00
Current year - 2	63	100.00	100.00
Current year - 3	64	100.00	100.00

**Long-term insurance business : Distribution of surplus**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **PLAL With-Profits Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Valuation result**

Fund carried forward	11	429619	455452
Bonus payments in anticipation of a surplus	12	24066	21460
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	453685	476911
Mathematical reserves	21	429619	455452
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	24066	21460

**Composition of surplus**

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	24066	21460
Total	39	24066	21460

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	24066	21460
Cash bonuses	42		
Reversionary bonuses	43		
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	24066	21460
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	24066	21460
Surplus carried forward	49		
Total (48+49)	59	24066	21460

**Percentage of distributed surplus allocated to policyholders**

Current year	61	100.00	100.00
Current year - 1	62	100.00	100.00
Current year - 2	63	100.00	100.00
Current year - 3	64	100.00	100.00

**Long-term insurance business : Distribution of surplus**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal Liver Assurance Fund**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Valuation result**

Fund carried forward	11	1593691	1790959
Bonus payments in anticipation of a surplus	12	21226	18924
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	1614917	1809883
Mathematical reserves	21	1591129	1787847
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	23788	22036

**Composition of surplus**

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	23788	22036
Total	39	23788	22036

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	21226	18924
Cash bonuses	42		
Reversionary bonuses	43	2562	3112
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	23788	22036
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	23788	22036
Surplus carried forward	49		
Total (48+49)	59	23788	22036

**Percentage of distributed surplus allocated to policyholders**

Current year	61	100.00	100.00
Current year - 1	62	100.00	100.00
Current year - 2	63	100.00	100.00
Current year - 3	64	100.00	100.00

**Long-term insurance business : Distribution of surplus**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) Ordinary and Industrial Life**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Valuation result**

Fund carried forward	11	9399628	10352535
Bonus payments in anticipation of a surplus	12	368968	
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	9768596	10352535
Mathematical reserves	21	9383203	10337290
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	385393	15245

**Composition of surplus**

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	385393	15245
Total	39	385393	15245

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	368968	
Cash bonuses	42		
Reversionary bonuses	43	16425	15245
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	385393	15245
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	385393	15245
Surplus carried forward	49		
Total (48+49)	59	385393	15245

**Percentage of distributed surplus allocated to policyholders**

Current year	61	100.00	100.00
Current year - 1	62	100.00	
Current year - 2	63		
Current year - 3	64		

**Long-term insurance business : Distribution of surplus**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) With-Profits Stakeholder**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Valuation result**

Fund carried forward	11	320443	313873
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	320443	313873
Mathematical reserves	21	320443	313873
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29		

**Composition of surplus**

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

**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		
Total distributed surplus (46+47)	48		
Surplus carried forward	49		
Total (48+49)	59		

**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 business : Distribution of surplus**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
 Total business / subfund **Royal London (CIS) With-Profits Pension**  
 Financial year ended **31 December 2015**  
 Units **£000**

Financial year 1	Previous year 2
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**Valuation result**

Fund carried forward	11	4210	4072
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	4210	4072
Mathematical reserves	21	4210	4072
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29		

**Composition of surplus**

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

**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		
Total distributed surplus (46+47)	48		
Surplus carried forward	49		
Total (48+49)	59		

**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 business : With-profits payouts on maturity (normal retirement)**Name of insurer **The Royal London Mutual Insurance Society Limited**Original insurer **Royal London Mutual Insurance Society**Date of maturity value / open market option **01 March 2016**

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	7006	1319	n/a	UWP	N	7006
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	19833	5391	n/a	CWP	N	19833
Endowment assurance	25	29618	6462	n/a	CWP	N	29618
Regular premium pension	5	13654	1105	n/a	UWP	N	13654
Regular premium pension	10	32687	5911	n/a	UWP	N	32687
Regular premium pension	15	56969	17707	n/a	CWP	N	56969
Regular premium pension	20	84273	28389	n/a	CWP	N	84273
Single premium pension	5	14514	3546	n/a	UWP	N	14514
Single premium pension	10	16569	4063	n/a	UWP	N	16569
Single premium pension	15	20236	8226	n/a	CWP	N	20236
Single premium pension	20	35629	19566	n/a	CWP	N	35629

**Long-term insurance business : With-profits payouts on surrender**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Original insurer **Royal London Mutual Insurance Society**  
Date of surrender value **01 March 2016**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	1845	112	0	UWP	Y	11250
Endowment assurance	10	7006	1319	0	UWP	Y	11250
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	20408	4788	n/a	CWP	N	25679
With-profits bond	2	10479	731	0	UWP	Y	10584
With-profits bond	3	12310	2261	0	UWP	Y	12433
With-profits bond	5	14653	3996	0	UWP	Y	14800
With-profits bond	10	14606	3706	0	UWP	Y	14715
Single premium pension	2	10871	682	0	UWP	Y	10871
Single premium pension	3	11565	1085	0	UWP	Y	11565
Single premium pension	5	14514	3546	0	UWP	Y	14514
Single premium pension	10	16569	4063	0	UWP	Y	16569

**Long-term insurance business : With-profits payouts on maturity (normal retirement)**Name of insurer **The Royal London Mutual Insurance Society Limited**Original insurer **Refuge Assurance**Date of maturity value / open market option **01 March 2016**

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	19186	5477	n/a	CWP	N	19186
Endowment assurance	25	31003	8968	n/a	CWP	N	31003
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	20	79622	15891	n/a	CWP	N	79622
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	20	40547	0	n/a	CWP	N	40547

**Long-term insurance business : With-profits payouts on surrender**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Original insurer **Refuge Assurance**  
Date of surrender value **01 March 2016**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	20194	6838	n/a	CWP	N	23956
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	5	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a

**Long-term insurance business : With-profits payouts on maturity (normal retirement)**Name of insurer **The Royal London Mutual Insurance Society Limited**Original insurer **United Friendly Insurance**Date of maturity value / open market option **01 March 2016**

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	17614	4606	n/a	CWP	N	17614
Endowment assurance	25	28446	7815	n/a	CWP	N	28446
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	20	68388	13013	n/a	CWP	N	68388
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	20	28665	3071	n/a	CWP	N	28665

**Long-term insurance business : With-profits payouts on surrender**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Original insurer **United Friendly Insurance**  
Date of surrender value **01 March 2016**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	17057	4547	n/a	CWP	N	23185
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	5	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a

**Long-term insurance business : With-profits payouts on maturity (normal retirement)**Name of insurer **The Royal London Mutual Insurance Society Limited**Original insurer **Scottish Life**Date of maturity value / open market option **01 March 2016**

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	12411	3476	n/a	UWP	N	12411
Endowment assurance	20	18356	6304	n/a	CWP	N	18356
Endowment assurance	25	28051	10551	n/a	CWP	N	28051
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	15	54928	17295	n/a	UWP	N	54928
Regular premium pension	20	71121	15483	n/a	CWP	N	71121
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	15	16375	4016	n/a	UWP	N	16375
Single premium pension	20	31663	8787	n/a	CWP	N	31663

**Long-term insurance business : With-profits payouts on surrender**Name of insurer **The Royal London Mutual Insurance Society Limited**Original insurer **Scottish Life**Date of surrender value **01 March 2016**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	12411	3476	n/a	UWP	N	11250
Endowment assurance	20	17906	5769	n/a	CWP	N	22431
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	5	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a

**Long-term insurance business : With-profits payouts on maturity (normal retirement)**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Original insurer **Phoenix Life Assurance Limited / Abbey National Life**  
Date of maturity value / open market option **01 March 2016**

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	17758	5460	n/a	UWP	N	17758
Endowment assurance	25	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	20	86739	32676	n/a	UWP	N	86739
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	15	18343	6753	n/a	UWP	N	18343
Single premium pension	20	29955	13059	n/a	UWP	N	29955

**Long-term insurance business : With-profits payouts on surrender**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Original insurer **Phoenix Life Assurance Limited / Abbey National Life**  
Date of surrender value **01 March 2016**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	17758	5460	0	UWP	Y	30000
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	5	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a

**Long-term insurance business : With-profits payouts on maturity (normal retirement)**Name of insurer **The Royal London Mutual Insurance Society Limited**Original insurer **Caledonian Life**Date of maturity value / open market option **01 March 2016**

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	15383	1631	n/a	CWP	N	15383
Endowment assurance	25	22636	1545	n/a	CWP	N	22636
Regular premium pension	5	18016	0	n/a	CWP	N	18016
Regular premium pension	10	40409	0	n/a	CWP	N	40409
Regular premium pension	15	67314	0	n/a	CWP	N	67314
Regular premium pension	20	124777	0	n/a	CWP	N	124777
Single premium pension	5	18358	0	n/a	CWP	N	18358
Single premium pension	10	21193	0	n/a	CWP	N	21193
Single premium pension	15	25854	0	n/a	CWP	N	25854
Single premium pension	20	51786	0	n/a	CWP	N	51786

**Long-term insurance business : With-profits payouts on surrender**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Original insurer **Caledonian Life**  
Date of surrender value **01 March 2016**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	13377	1389	n/a	CWP	N	18854
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	5	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	10	11625	554	0	UWP	Y	11625
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	14291	0	n/a	CWP	N	14291
Single premium pension	10	16067	0	n/a	CWP	N	16290

**Long-term insurance business : With-profits payouts on maturity (normal retirement)**Name of insurer **The Royal London Mutual Insurance Society Limited**Original insurer **Royal Liver Assurance (UK)**Date of maturity value / open market option **01 March 2016**

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	10300	1393	n/a	CWP	N	10300
Endowment assurance	20	15104	683	n/a	CWP	N	15104
Endowment assurance	25	22998	2145	n/a	CWP	N	37307
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	15	53577	13294	n/a	UWP	N	53577
Regular premium pension	20	84797	20066	n/a	UWP	N	84797
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	15	17239	4079	n/a	UWP	N	17239
Single premium pension	20	32223	7436	n/a	UWP	N	32223

**Long-term insurance business : With-profits payouts on surrender**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Original insurer **Royal Liver Assurance (UK)**  
Date of surrender value **01 March 2016**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	9220	n/a	n/a	CWP	N	18268
Endowment assurance	20	14960	n/a	n/a	CWP	N	18924
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	5	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	10	12374	1520	n/a	UWP	N	12374
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a

**Long-term insurance business : With-profits payouts on maturity (normal retirement)**Name of insurer **The Royal London Mutual Insurance Society Limited**Original insurer **Royal Liver Assurance (ROI)**Date of maturity value / open market option **01 March 2016**

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	6051	770	n/a	CWP	N	6051
Endowment assurance	15	10452	1544	n/a	CWP	N	10452
Endowment assurance	20	15138	717	n/a	CWP	N	15138
Endowment assurance	25	24189	2372	n/a	CWP	N	24189
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	27938	5309	n/a	UWP	N	27938
Regular premium pension	15	47159	10212	n/a	UWP	N	47159
Regular premium pension	20	77178	14192	n/a	UWP	N	77178
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	11509	769	n/a	UWP	N	11509
Single premium pension	15	15785	2687	n/a	UWP	N	15785
Single premium pension	20	34823	4642	n/a	UWP	N	34823

**Long-term insurance business : With-profits payouts on surrender**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Original insurer **Royal Liver Assurance (ROI)**  
Date of surrender value **01 March 2016**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	5539	n/a	n/a	CWP	N	16640
Endowment assurance	15	9572	n/a	n/a	CWP	N	18537
Endowment assurance	20	14162	n/a	n/a	CWP	N	18967
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	5	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	10	11325	1279	n/a	UWP	N	11325
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	11509	769	0	UWP	Y	11509

**Long-term insurance business : With-profits payouts on maturity (normal retirement)**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Original insurer **Royal London (CIS) Limited/Co-operative Insurance Society Limited**  
Date of maturity value / open market option **01 March 2016**

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	11757	3277	n/a	CWP	N	11757
Endowment assurance	20	18318	5057	n/a	CWP	N	18318
Endowment assurance	25	29332	8767	n/a	CWP	N	29332
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	15	57819	18619	n/a	CWP	N	57819
Regular premium pension	20	83524	26143	n/a	CWP	N	83524
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	15	21000	7020	n/a	CWP	N	21000
Single premium pension	20	33736	15098	n/a	CWP	N	33736

**Long-term insurance business : With-profits payouts on surrender**

Name of insurer **The Royal London Mutual Insurance Society Limited**  
Original insurer **Royal London (CIS) Limited/Co-operative Insurance Society Limited**  
Date of surrender value **01 March 2016**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	11447	n/a	n/a	CWP	N	18193
Endowment assurance	20	19525	n/a	n/a	CWP	N	22168
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	5	13044	1768	0	UWP	Y	13175
With-profits bond	10	15007	2672	0	UWP	Y	15157
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a

**Long-term insurance capital requirement**Name of insurer **The Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2015**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%	564190	528822	0.50	282	266
Classes I (other), II and IX	13	0.15%	916830	98740		688	683
Classes I (other), II and IX	14	0.3%	150026129	24143031		225039	217723
Classes III, VII and VIII	15	0.3%	16005633	8347074	0.52	25041	26817
<b>Total</b>	16		167512781	33117667		251050	245490

**Insurance health risk and life protection reinsurance capital component**

Class IV supplementary classes 1 and 2 and life protection reinsurance	21					6556	6623
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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%	21650864	16563276	0.85	184032	197150
Classes III, VII and VIII (investment risk)	33	1%	2940167	2934040	1.00	29340	30568
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%	7771661	6528990	0.85	66059	58324
Classes III, VII and VIII (other)	35	25%				11431	9508
Class IV (other)	36	1%	10752	(11208)	0.85	91	103
Class V	37	1%					
Class VI	38	1%					
<b>Total</b>	39					290954	295653

**Insurance market risk capital component**

Life protection and permanent health reinsurance	41	0%					
Classes I (other), II and IX	42	3%	21650864	16563276	0.85	552097	591451
Classes III, VII and VIII (investment risk)	43	3%	2940167	2934040	1.00	88021	91703
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%	7771661	6528990			
Classes III, VII and VIII (other)	45	0%	18248502	17265302			
Class IV (other)	46	3%	10752	(11208)	0.85	274	310
Class V	47	0%					
Class VI	48	3%					
<b>Total</b>	49		50621945	43280401		640392	683464

<b>Long term insurance capital requirement</b>	51					1188952	1231230
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## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Structure of the long term business

The Royal London Mutual Insurance Society Limited (“RL”) acquired United Assurance Group plc (“UAG”) on 18 April 2000. The long term businesses of the five insurance subsidiaries of UAG, Refuge Assurance plc (“RA”); United Friendly Insurance plc (“UFI”); Refuge Investments Limited (“RIL”); United Friendly Life Assurance Limited (“UFLA”) and Canterbury Life Assurance Company Limited (“CL”) were transferred to RL on 1 January 2001 by way of a scheme of transfer under Section 49 and Schedule 2C of the Insurance Companies Act 1982 (“the UAG Scheme”).

RL acquired The Scottish Life Assurance Company (“SL”) by way of a demutualisation of SL. The long term business of SL was transferred to RL on 1 July 2001 by way of a scheme of transfer under Section 49 and Schedule 2C of the Insurance Companies Act 1982 (“the SL Scheme”).

RL acquired Phoenix Life Assurance Limited (“PLAL”) together with Self Assurance and Pegasus protection business from Scottish Mutual Assurance Limited (“SMA”) and Scottish Provident Limited (“SPL”) in August 2008. The PLAL long term business was transferred to RL on 29 December 2008 by way of a scheme of transfer under Part VII of the Financial Services and Markets Act 2000 (“the PLAL Scheme”). The long term business acquired from SMA and SPL was similarly transferred to RL on 29 December 2008 by way of a scheme of transfer (“the RL Scheme”).

RL acquired Royal Liver Assurance Limited (“RLA”) on 1 July 2011 by way of a scheme of transfer under Section 86 of the Insurance Companies Act 1992 (“the RLA scheme”).

RL transferred the long term business of GRE Life Ireland Limited (a wholly owned subsidiary) into the Royal Liver Assurance Fund on 1 July 2012. The transfer of business was effected under an Irish Court scheme (“the GRELI Scheme”) in accordance with Section 13 of the Assurance Companies Act 1909 (Ireland) and the European Communities (Life Assurance) Framework Regulations 1994.

RL acquired the life insurance business of the Co-operative Banking Group in July 2013. This business has been administered in a subsidiary company – Royal London (CIS) Limited (“RLCIS”). The long term business of RLCIS was transferred to RL on 30 December 2014 by way of a scheme of transfer under Part VII of the Financial Services and Markets Act 2000 (“the RLCIS Scheme”).

The long term business of Royal London Pooled Pensions Company Limited (a subsidiary company of RL) was transferred to RL on 30 December 2014 by way of a scheme of transfer under Part VII of the Financial Services and Markets Act 2000 (“the RLPPC Scheme”).

These transfers have resulted in the creation of a number of separate categories of business allocated to separate with-profits funds within RL (as defined in IPRU(INS)) as follows:

#### **Royal London IB & OB Subfund**

From 31 December 2006 this consists of the industrial assurance business of RL and all of the Society’s ordinary branch business with the exception of ordinary branch business allocated to the PLAL With-Profits Fund, the Royal Liver Assurance Fund, the Royal London (CIS) Subfund, the Scottish Life Fund and the United Friendly OB Subfund. The subfund remains open to new ordinary business.

#### **PLAL With-Profits Fund**

This is the PLAL With-Profits Fund established under the PLAL Scheme, mentioned above. This consists of the investment element of the PLAL unitised with-profits business. It is closed to new business, other than new entrants under group schemes and increments to certain policies.

#### **Refuge Assurance IB Subfund**

This consists of the industrial assurance business relating to RA. New business is no longer accepted.

#### **Royal Liver Assurance Fund**

This fund was established under the RLA scheme mentioned above. This consists of the industrial and ordinary branch business sold in the UK and ROI relating to RLA. With the exception of increments to existing contracts, policies created as a result of options exercised under existing contracts and annuities set-up upon maturity of pension contracts, the fund is closed to new business.

#### **Royal London (CIS) Subfund**

This fund was established under the RLCIS scheme mentioned above. It contains three segregated subfunds: the RLCIS OB & IB Fund, the RLCIS With-Profits Pension Fund and the RLCIS With-Profits Stakeholder Fund. The fund is closed to new business apart from the result of the exercise of any option granted under the terms of an existing policy.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### **Scottish Life Fund**

This is the Scottish Life Fund established under the SL Scheme, mentioned above. This consists of the SL conventional with-profits business, the investment element of the unitised with-profits business, deposit administration business and a small amount of non-profit business. It also has responsibility for the liabilities in respect of guaranteed annuity options under policies sold by SL, including policies where the basic liability is allocated to the Royal London IB & OB Subfund. It is closed to new business, other than new entrants under group schemes and increments up to the level of premium payable at the date of transfer.

### **United Friendly IB Subfund**

This consists of the industrial assurance business relating to UFI. New business is no longer accepted.

### **United Friendly OB Subfund**

This consists of the with-profits ordinary business of UFI. New business is no longer accepted.

## **Contract identification**

Within this document, reference is made to the following categories of policies:

**RL Business** – contracts originally sold by RL and all new business sold by divisions of the Society from 1 July 2001.

**RL (bancassurance)** – Royal London branded contracts sold after 1 January 2009, a subset of RL business.

**RL (intermediary)** – Scottish Life branded contracts sold after 1 July 2001, a subset of RL Business. (Scottish Life rebranded as Royal London during 2014.)

**Bright Grey** – Bright Grey branded contracts, a subset of RL Business. (This rebranded as Royal London during 2015.)

**Caledonian** – Caledonian Life branded contracts, a subset of RL Business. (This rebranded as Royal London Ireland during 2014.)

**Scottish Provident** – Scottish Provident branded contracts, a subset of RL Business. (This rebranded as Royal London during 2015.)

**Former CL Business** - contracts transferred in from CL.

**Former GRELI Business** – contracts transferred in from GRELI.

**Former PLAL Business** – contracts transferred in from PLAL.

**Former RA Business** – contracts transferred in from RA.

**Former RIL Business** - contracts transferred in from RIL.

**Former RLA Business**- contracts transferred in from RLA.

**Former RLCIS Business** - contracts transferred in from RLCIS.

**Former RLPPC Business** - contracts transferred in from RLPPC.

**Former SL Business** - contracts transferred in from SL.

**Former SMA Business** – contracts transferred in from SMA.

**Former SPL Business** - contracts transferred in from SPL.

**Former UFI Business** - contracts transferred in from UFI.

**Former UFLA Business** - contracts transferred in from UFLA.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Introduction

1. (1)

This investigation relates to 31 December 2015.

1. (2)

The previous investigation related to 31 December 2014.

1. (3)

There were no interim investigations during 2015 within the scope of Rule 9.4, except those required for the realistic balance sheet submission as at 30 June 2015.

### Product Range

2.

#### Royal London IB & OB Subfund

This subfund is open to new with-profits and non-profit business.

The 'Bright Grey' and 'Scottish Provident' brands were withdrawn and replaced with the 'Royal London' brand at the end of November 2015 and end of December 2015, respectively.

An accumulating with-profits Funeral Bond product was introduced in January 2015.

#### Other Subfunds

There were no changes to the product range in the PLAL With-Profits Fund, Refuge Assurance IB Subfund, Royal Liver Assurance Fund, Royal London (CIS) Subfund, Scottish Life Fund, United Friendly IB Subfund and United Friendly OB Subfund during the year. These subfunds are closed to new business except by increment or the exercising of a policy option.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Discretionary charges and benefits

#### 3. (1)

Market value reductions have applied to unitised with-profits benefits during the year in accordance with policy conditions. Details are provided in the following tables:

#### Royal London IB & OB Subfund

Product name	Date effective	Affecting units originally purchased in
RL Insurance ISA	From 1 January	Nil
RL Unitised With-Profits Savings Plans	From 1 January	Nil
European With-Profits Bond and With Profits Bond Plus	From 1 January	Nil
RL Unitised Whole Life Assurance	From 1 January	Nil
RA Unitised Whole Life Assurance	From 1 January	Nil
RL With-Profits Bond (series 3)	From 1 January	Nil
RA Unitised Personal Pension Series 1	From 1 January	Nil
RL Unitised Personal Pension Series 2	From 1 January	Nil
Profitbuilder, Budget Plan (TP1) and Budget Plan (TP2)	From 1 January	Nil
Talisman, Retirement Solutions, Pension Portfolio and Individual ranges	From 1 January	Nil
Crest Growth	From 1 January	Nil

#### PLAL With-Profits Fund

Market value reductions have not been applied during the year on contracts in the PLAL with-profits fund.

#### Royal Liver Assurance Fund

Product Name	Date effective	Affecting units originally purchased in
UK unitised with profits pension	From 1 January	Nil
UK unitised with profits investment plan	From 1 January	Nil
ROI unitised with profits pension	From 1 January	Nil
ROI unitised with profits investment plan	From 1 January	Nil
ROI Caledonian with profits bond	From 1 January	Nil

#### Royal London (CIS) Subfund

Product Name	Date effective	Affecting units originally purchased in
Platinum Bond Plus	From 1 January	Nil
Platinum Plus	From 1 January	Nil
Funeral Investment Plan	From 1 January	Nil
Funeral Pre-payment Plan	From 1 January	Nil

#### Scottish Life Fund

Product name	Date effective	Affecting units originally purchased in
Profitbuilder, Budget Plan (TP1) and Budget Plan (TP2)	From 1 January	2000, 2012-2013
Talisman Series 1 and 2	From 1 January	1987, 1990, 2000-2007, 2012, 2013
Talisman and Retirement Solutions ranges	From 1 January	1998-2006, 2011-2013
Crest Growth	From 1 January	Nil
Crest Secure	From 1 January	Nil

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### 3. (2)

There were no changes during the year to the premiums charged on a small number of reviewable contracts administered by Phoenix Life Limited on the Society's behalf.

There were no changes during the year to the premiums charged on a small number of Former RLA reviewable contracts.

Certain contracts sold under the Bright Grey brand contain reviewable premiums. Approximately 33,900 policies were reviewed during 2015. Of these, 400 had their premium increased by 2.2% and 2,500 had their premium reduced by between 2.1% and 2.7%.

Certain contracts sold under the Self Assurance brand contain reviewable premiums. Approximately 1,500 policies were reviewed during 2015. Of these, 600 had their premium reduced by between 3.8% and 11%.

Certain Former RLCIS contracts contain reviewable premiums. Approximately 29,000 policies were reviewed during 2015. Of these, 16,000 had their premium increased by between 1% and 16.5% and 2,500 had their premium reduced by between 1% and 5%.

### 3. (3)

The rates of interest added to deposit administration policies are included in paragraph 10. (1) below.

### 3. (4)

The following changes were made to service charges on unit-linked policies during the year:

#### *Profitbuilder*

For policies issued after 11 July 1999 the monthly administration charge increased by 0.9% for policies with an anniversary date on or after 12 July 2015. For policies with an anniversary date prior to 12 July 2015, the rate of increase was 2.5%.

#### *Talisman Group Pension Plan – Series 1 to 6, Talisman CPS – Series 1 to 6:*

For policies where a member charge is levied, the charge increased by 1.1% for policies with a renewal date on or after 1 July 2015. For policies with a renewal date prior to 1 July 2015, the rate of increase was 2.8%.

#### *Talisman Executive Pension Plan – 98 Series 1 and 2, Talisman Personal Pension Plan – 98 Series 1 and 2, Talisman Buyout Bond – 98 Series 1, Talisman Freestanding AVC Plan – 98 Series 1 and 2, Talisman Income Drawdown Personal Pension Plan – 98 Series 1:*

For policies where a policy charge is levied, the charge increased by 1.1% for policies with an anniversary date on or after 1 July 2015. For policies with a renewal date prior to 1 July 2015, the rate of increase was 2.8%.

#### *Former RA policies*

Policy fees on Former RA Unitised With-Profits personal pension contracts were maintained at the current rates in 2015.

#### *Former PLAL policies*

Policy fees on Former PLAL unit-linked products were increased by 2.3% on 1 January 2015. Policy fees on N&P products were increased by 0.84% on 1 January 2015.

#### *Former SMA and Scottish Provident policies*

Policy fees on Former SMA and Scottish Provident Pegasus unit-linked contracts were increased by 2.3% on 1 January 2015.

### 3. (5)

There were no changes to benefit charges on unit-linked policies during the year.

### 3. (6)

There were no changes to notional charges on accumulating with-profits business during the year.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### 3. (7)

#### (a) (i)-(iv)

##### **Definition of terms used in pricing of internal linked funds.**

Accumulation Unit	A unit in respect of which income is credited periodically to the capital value of the fund.
Asset Units	The number of units in the fund, used to determine the price when creating or cancelling units in internal funds.
NAV	The Net Asset Value is the market value of assets in the fund, on the pricing basis chosen, including costs of purchase or sale, tax provisions, accrued income and accrued charges as defined by the policy conditions.
Creation Price	The NAV calculated on market Offer Prices including costs of purchase with tax provisions calculated on a consistent basis, divided by the number of Asset Units.
Cancellation Price	The NAV calculated on market Bid Prices less costs of sale with tax provisions calculated on a consistent basis, divided by the number of Asset Units.
Bare Price	Creation Price or Cancellation Price, depending on which pricing basis is being used (see below for details).
Offer Price	Price quoted to policyholders which is used when allocating units from premiums and other payments.
Bid Price	Price quoted to policyholders to value their unit holdings and to cancel units to pay for charges as allowed in the policy conditions.
Initial Charge	The percentage used to calculate the quoted Offer Price from the Bare Price.
Bid-Offer Spread	The difference between Bid and Offer Prices.
CIV	Collective Investment Vehicle – generally a Unit Trust or an Open Ended Investment Company (OEIC).
ROI	Republic of Ireland

##### **Pricing basis**

The pricing basis depends on whether the unit-linked fund is expanding or contracting. The pricing basis is reviewed regularly. Generally, funds are considered to be expanding unless they have been in decline for at least three consecutive months prior to the review. Special Bid and Offer Prices may be used for large transactions, or series of transactions, in order to maintain fairness between policyholders.

##### **Method used for allocation and de-allocation of units**

##### **RL Business stakeholder pension plan**

Whenever units are created the fund is increased by an amount equal to the number of units created multiplied by the price. Whenever units are cancelled the fund is decreased by an amount equal to the number of units cancelled multiplied by the price. The fund operates with a single price for the purchase and sale of units equal to the Creation Price.

Creations and cancellations are effected at the same time as units are priced. The price is rounded to the nearest multiple of 0.01 pence. Units are allocated to and cancelled from policies at this price.

Unit prices are calculated daily, with the holdings of the investments of the unit-linked funds being those applicable at 4.30 pm on the working day before the pricing. CIV holdings are valued at the Creation Prices. The price for CIVs is that applicable at 12 noon on the day of the pricing, this being the price applicable to transactions effected on the morning of that day.

To provide the liquidity needed to deal with daily fluctuation in net cash flows the Society operates a box system whereby the number of units in issue exceeds the matching unit liability by a specified margin. Investment profits and losses on the box accrue to the Society.

All units are accumulation units.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### **Riley Bond**

Whenever units are created the fund is increased by an amount equal to the number of units created multiplied by the Creation Price. Creation is effected at the same time as units are priced.

Whenever existing units in a fund are cancelled, the fund is decreased by an amount equal to the number of units cancelled multiplied by the Cancellation Price. Cancellation is effected at the same time as units are priced.

The actual price will be set at a level between the Creation and Cancellation Prices depending upon the prevailing cash flows. Units are allocated to and cancelled from policies at this price.

All units are accumulation units.

### **Former PLAL, RL (bancassurance), Former SMA and Scottish Provident Funds**

Whenever units are created the fund is increased by an amount equal to the number of units created multiplied by the Creation Price. Whenever units are cancelled the fund is decreased by an amount equal to the number of units cancelled multiplied by the Cancellation Price.

Units are allocated to policies at the quoted Offer Price which, for a particular day, is the Bare Price divided by (1 minus the Initial Charge) and rounded up by no more than 0.1p. Units are cancelled from policies at the quoted Bid Price which equals the quoted Offer Price adjusted for the Bid-Offer Spread and rounded to the lower 0.1p.

### **Former RLA Funds**

Whenever units are created the fund is increased by an amount equal to the number of units created multiplied by the Creation Price. Creation is effected at the same time as units are priced. Whenever units are cancelled the fund is decreased by an amount equal to the number of units cancelled multiplied by the Cancellation Price. Cancellation is effected at the same time as units are priced.

Where the fund is priced on an offer basis, the Offer Price is calculated by using the NAV calculated on market Offer Prices (including purchase costs with tax provisions calculated on a consistent basis), divided by the number of Asset Units. This is then multiplied by 1.01 and divided by 0.95. The answer is rounded down by no more than 0.1p. The Bid Price calculated on an offer pricing basis is 95% of the Offer Price rounded to one decimal place.

Where the fund is priced on a bid pricing basis the Bid Price is calculated by using the NAV calculated on market Bid Prices (less costs of sale with tax provisions calculated on a consistent basis), divided by the number of Asset Units. This is then multiplied by 0.99 and rounded up by no more than 0.1p. The Offer Price on a bid pricing basis is the Bid Price divided by 95% rounded to one decimal place.

### **Former RLCIS Funds**

The Creation Price of units on a particular day is as defined above with the exception that for investments consisting of units in RLUM Limited's unit trusts the Bid Price is used.

On a particular day, each fund will have a single unit price which is calculated on the following working day. This price will be not less than the Cancellation Price and not more than the Creation Price. The normal practice is to use the Creation Price for net creations of units and the Cancellation Price for net cancellations. The price is adjusted to allow for a product-related annual management charge.

In the case of external funds, the external fund manager determines a single, mid-market price free of all charges. This price is adjusted to allow for a product-related annual management charge, the resultant price being the internal fund unit price which is the price used for all transactions.

The unit prices calculated on a particular day (the 'valuation day') are based on:

- in the case of investments attributable to the fund which are quoted on a stock exchange, the price as at the close of business on the previous day;
- in the case of investments consisting of units in RLUM Limited's unit trusts, the unit prices calculated on the valuation day;
- in the case of investments consisting of external unit trusts, the unit prices calculated on the previous day.

To provide the liquidity needed to deal with daily fluctuation in net cash flows the Society operates a box system whereby the number of units in issue exceeds the matching unit liability by a specified margin. Investment profits and losses on the box accrue to the Society (the RLCIS OB & IB Fund).

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Former RLPPC Funds

Whenever units are created the fund is increased by an amount equal to the number of units created multiplied by a price based upon the value of the investments of the fund, calculated as if the assets were being purchased, plus, where appropriate, an allowance for expenses of purchasing the assets, and divided by the number of units in the fund. Creation is effected at the same time as units are priced.

Whenever units are cancelled, the fund is decreased by an amount equal to the number of units cancelled multiplied by a price based upon the value of the investments of the fund, calculated as if the assets were being sold, less, where appropriate, an allowance for expenses of selling the assets, and divided by the number of units in the fund. Cancellation is effected at the same time as units are priced.

The price at which units are allocated to a policy or cancelled from a policy is the ruling price. The ruling price lies within a range, the maximum value of which is based on asset values which are not more than the market price at which they might be bought plus the relative commissions and other expenses and charges and the minimum value of which is based on asset values which are not less than the price at which they might be sold less the relative commissions and other expenses and charges. The actual ruling price is determined based on the daily cash flows into or out of the individual funds, with a net inflow resulting in a price at or around the maximum and a net outflow resulting in a price at or around the minimum.

The RLPPC UK Corporate Bond Fund, the RLPPC UK Long Corporate Bond Fund, the RLPPC UK Aggregate Bond Fund and the RLPPC UK Long Aggregate Bond Fund issue both accumulation units and income units. All other funds issue accumulation units only.

### All other funds

Whenever units are created the fund is increased by an amount equal to the number of units created multiplied by the Creation Price. Creation is effected at the same time as units are priced.

Whenever existing units in a fund are cancelled, the fund is decreased by an amount equal to the number of units cancelled multiplied by the Cancellation Price. Cancellation is effected at the same time as units are priced.

Units are allocated to policies at the Offer Price. The maximum Offer Price of a unit is calculated as the maximum value of the portion of the fund attributable to such units divided by the number of units then in issue plus, for certain funds, an initial charge, the result being rounded. The actual Offer Price may be below this level.

Units are cancelled from policies at the Bid Price. The minimum Bid Price of a unit is calculated as the minimum value of the portion of the fund attributed to such units divided by the number of units then in issue, the result being rounded. The actual Bid Price may be above this level.

For Retirement Solutions, Individual Pension Plans and Pension Portfolio units are allocated to and cancelled from a policy at a single price, which is the Bid Price of the fund. For all other products, the price at which units are allocated to a policy is the Offer Price and the price at which units are cancelled is the Bid Price.

All units are accumulation units.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Basis of Valuation of Assets

At the valuation date, the ruling Bid Price was equal to the minimum Bid Price for the following funds:

RL Business	All funds
Former RLCIS Business	All funds
Former RA and Former RIL Business	All funds
Former CL Business	Pension Exempt Managed Life Managed
RL (intermediary) and Former SL Business	All life funds RLP Managed Fund RLP Adventurous Managed Fund RLP Defensive Managed Fund RLP UK Equity Fund RLP Pacific Fund RLP European Fund RLP Fixed Interest Fund RLP Index Linked Fund RLP Far East (Ex Japan) Fund RLP Global Equity RLP Japan RLP Property RLP Annuity RLP Ethical Bond RLP Global Index Linked RLP UK Opportunities RLP UK Government Bond RLP Absolute Return Government Bond RLP Sterling Extra Yield Bond
Former UFI and Former UFLA Business	All funds except those listed in the table below
Former GRELI business	All funds
Former PLAL Business	Royal London ANL Managed Fund - Life Royal London ANL International Fund - Life Royal London ANL UK Equity Fund - Life Royal London ANL Managed Pension Fund Royal London ANL UK Equity Pension Fund Royal London Stakeholder Managed Fund - Pen Royal London ANL Cautious Growth - Life Royal London ANL Higher Growth - Life Royal London ANL Steady Growth - Life Royal London ANL Merrill Lynch - Pen Royal London ANL Newton Managed - Pen Royal London Stakeholder UK Equity Fund - Pen Royal London ANL International Pension Fund Royal London Stakeholder UK Equity Tracker - Pen Royal London Stakeholder International Fund - Pen

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

Former SMA and Scottish Provident Business	Pegasus Aggressive Pegasus Balanced Pegasus Cautious Pegasus Growth Pegasus Opportunity Pegasus Safety
Former RLA Business	All funds
Riley bond	All funds

At the valuation date the ruling Offer Price was equal to the maximum Offer Price for the following funds:

Former CL Business	Pension Fixed Interest Pension Managed Series 2 Life Fixed Interest Life Gilt Life Managed Series 2
RL (intermediary) and Former SL Business	All pension funds other than those listed above
Former UFI and Former UFLA Business	Royal London United Assurance Money 1 (UFI) Royal London United Assurance Money Pensions 1 (UFI) Royal London United Assurance Money Pensions 1 (UFLA) Royal London United Assurance Money 1 (UFLA)
Former PLAL Business	Royal London Stakeholder Annuity Protector Royal London Stakeholder Deposit Fund - Pen Royal London Stakeholder Managed Fund 2 Royal London Stakeholder International Fund 2 Royal London Stakeholder Annuity Protector Fund 2 Royal London Stakeholder Deposit Fund 2 - Pen Royal London ANL Deposit Fund - Life Royal London ANL Deposit Pension Fund

The values of Stock Exchange securities are based on quoted prices. The values of investments in real or heritable property are based on valuations prepared and certified by independent valuers adjusted to take into account the variations in prices between valuations. The values of other assets are determined by the Society.

### **Former PLAL, RL (bancassurance), Former SMA and Scottish Provident business**

The prices used for transactions on a particular day are determined based on the asset position of the fund at 12 noon on the previous working day (except Broker Managed Funds which are priced at close of business). All funds use Forward Pricing, the timing of the transaction relative to the time at which the policyholder requested the trade varies by product and is defined in the policy conditions.

### **Former RLCIS business**

The unit prices calculated on a particular day are based on the price as at the close of business on the previous day in respect of investments which are quoted on a stock exchange.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### All other funds

The holdings of the investments of the unit-linked funds are those applicable at 12 noon on the day of the pricing. For direct investments, the price is also that applicable at 12 noon on the day of the pricing. At each valuation each internal fund is charged with a management charge calculated as a percentage of the current maximum value of the fund multiplied by the number of days since the previous valuation.

Unit prices are calculated as follows:

RL Life Business	Weekly, usually Tuesday
RL Pension Business	Weekly, usually Thursday
Former CL Business	Monthly, first working day of each month
Former RA and Former RIL Business	Daily
Former RLA UK Business	Weekly, usually Wednesday
Former RLA ROI Business	Weekly, usually Tuesday
Former GRELI business	Weekly, usually Friday
All other business	Daily

To provide the liquidity needed to deal with daily fluctuation in net cash flows the Society operates a box system on funds priced daily whereby the number of units in creation exceeds the matching unit liability by a specified margin. A box system is also adopted for the weekly RL and Former RLA ROI Business Funds. Investment profits and losses on the box accrue to the Society.

### (b)

There are no circumstances in which different pricing bases apply to different policies within the same fund at any one time except to the extent that the product related annual management charges differ for Former RLCIS business.

### (c)

#### Former RLA Business

The prices used to value funds invested in CIVs are the previous day's closing prices.

#### Former RLCIS business

For CIVs provided by RLUM Limited the price is that applicable to transactions effected on the morning of the day of the unit-linked pricing and for external CIVs the price is that applicable to transactions effected on the morning of the day before the unit-linked pricing.

### All other business

For CIVs provided by Royal London Unit Trust Managers ("RLUTM"), the price is that applicable to transactions effected on the morning of the day of the unit-linked pricing and for external CIVs the price is that applicable to transactions effected on the morning of the day before the unit-linked pricing.

### 3. (8)

#### Riley Bond

No deduction is made for deferred tax in respect of realised or unrealised chargeable gains or losses in the internal linked funds. Instead each Riley Bond has an associated tax account reflecting the accrued tax liability on the investments backing the fund, the value of which is deducted from any claim payment. The internal linked funds into which Riley Bonds invest include a provision for withholding tax on overseas investment income at the appropriate rate.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### All other life funds

Each individual linked fund is treated as a separate entity for the purpose of tax. Fixed interest income and interest are taxed at the standard rate and this is reflected in the unit price. The calculation of the unit price includes, as appropriate, a charge for realised and unrealised capital gains net of indexation relief or a credit for realised or unrealised losses where there is a reasonable prospect of recognising those losses in the future. Unrealised gains and losses are carried forward to the next accounting period and allowance will be made in the unit price where there is a realistic likelihood of the tax being paid or relieved as appropriate in the short to medium term.

The rate of tax charge on gains is the policyholder tax rate discounted to reflect timing until the tax is paid, including allowance for spreading of gains under the deemed disposal rules where the underlying holding is a CIV.

Where there is little prospect of any losses being relieved in the short to medium term, the rate of CGT applying to realised and unrealised losses is currently set to zero and the total amount of the losses is being retained in a separate memorandum account.

That part of the allowance which represents the tax payable if the fund is assessed as a stand-alone entity for tax purposes is settled for cash annually, with the exception of unrealised gains/losses in the RA Special Situations Fund and the property funds where cash settlement is only made for realised gains.

Where benefits under Former CL Endowment Investment and Endowment Investment Escalator Plans become payable, the linked Scottish Widows Global Growth OEIC (Class A) shares are deemed sold and the proceeds adjusted for an amount equal to the tax due, at the current rate on the indexed gain as if the policyholder had directly purchased the shares. The rate used during the report period was 20%.

For some of the equity and property based life unit linked funds substantial capital losses have arisen in prior years and these losses are sufficient to absorb some subsequent capital gains. Therefore the tax rates applied in computing the capital gains tax liabilities have been reduced to reflect these losses with any remaining surplus being carried forward to be utilised in future years.

For the other equity and property based life unit linked funds the charge for unrealised capital gains tax has been determined at the rates specified below which have been discounted to reflect the period of time over which the liabilities will crystallise.

Fund	Start	End	Rate*
CL Life Managed Fund	1 January 2015	31 December 2015	19%
CL Life Managed Fund (Series 2)			
Royal London United Assurance Equity 1			
Royal London United Assurance International 1			
Royal London United Assurance Managed 1			
Royal London European Fund			
Royal London Equity Fund			
Royal London International Fund			
Royal London Mixed Fund			
RLL UK Equity Fund			
RLL Worldwide Fund			
RLL American Fund			
RLL Pacific Fund			
Royal London United Assurance UK Equity 1			
Royal London United Assurance European 2			
Royal London United Assurance World Growth 2			
Royal London United Assurance North American 2			
Royal London United Assurance UK Equity Growth 2			
Royal London United Assurance UK Equity Income 2			
Royal London United Assurance Far Eastern 2			
Royal London United Assurance Managed 2			
Pegasus Safety Fund			
Pegasus Growth Fund			
Pegasus Opportunity Fund			

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

Fund	Start	End	Rate*
Royal London ANL International Fund - Life Royal London ANL Managed Fund - Life Royal Liver International Equity Life Pooled Fund Royal Liver Global Equity Life Pooled Fund Royal Liver High Yield Life Pooled Fund	1 January 2015	31 December 2015	19%
RLL European Fund	1 January 2015 21 April 2015 1 August 2015 1 October 2015 16 October 2015	20 April 2015 31 July 2015 30 September 2015 15 October 2015 31 December 2015	5% 15% 10% 5% 0%
Royal London ANL UK Equity Fund - Life	1 January 2015 3 March 2015 21 April 2015 27 August 2015 1 October 2015 16 October 2015	2 March 2015 20 April 2015 26 August 2015 30 September 2015 15 October 2015 31 December 2015	10% 15% 19% 15% 5% 10%
Royal London ANL Cautious Growth - Life	1 January 2015 3 March 2015 16 June 2015 1 August 2015 1 October 2015 10 December 2015	2 March 2015 15 June 2015 31 July 2015 30 September 2015 9 December 2015 31 December 2015	0% 5% 10% 5% 0% 5%
Royal London ANL Higher Growth - Life	1 January 2015 3 March 2015 21 April 2015 1 October 2015 18 November 2015 10 December 2015	2 March 2015 20 April 2015 30 September 2015 17 November 2015 9 December 2015 31 December 2015	10% 15% 19% 10% 15% 19%
Royal London ANL Steady Growth - Life	1 January 2015 3 March 2015 21 April 2015 1 August 2015 1 October 2015 10 December 2015	2 March 2015 20 April 2015 31 July 2015 30 September 2015 9 December 2015 31 December 2015	5% 15% 19% 15% 10% 15%
Royal Liver UK Equity Life Pooled Fund	1 January 2015 21 April 2015 1 October 2015	20 April 2015 30 September 2015 31 December 2015	15% 19% 10%

\*For all realised/unrealised gains and losses.

Royal London United Assurance Special Situations 1 20% for unrealised/realised gains from 1 January 2015 to 31 December 2015  
18% for realised losses from 1 January 2015 to 31 December 2015  
15% for unrealised losses from 1 January 2015 to 31 December 2015

### 3. (9)

Tax provisions for internal linked UK life funds are established for deferred tax in respect of realised and unrealised chargeable gains and losses as follows:

#### Riley Bond

No provision is made for deferred tax in respect of realised or unrealised chargeable gains or losses in the internal linked funds. Instead each Riley Bond has an associated tax account reflecting the accrued tax liability on the investments backing the fund, the value of which is deducted from any claim payment. The internal linked funds into which Riley Bonds invest include a provision for withholding tax on overseas investment income at the appropriate rate.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### All other life funds

Each internal fund is treated as an independent entity for the purposes of assessing capital gains tax. A rate of tax is levied on the gain net of any indexation relief and capital losses, as appropriate.

The maximum rate of tax for realised capital gains is the policyholder rate of tax for the period in question. Where appropriate, this may be reduced to reflect the period between the realisation of the gain and the date when the tax is actually due to be paid.

The maximum rate of tax for unrealised capital gains is the rate for realised capital gains. This is normally discounted to reflect the period of time over which the liabilities will crystallise.

The rates of tax charge and credit for realised and unrealised gains and losses applying during the reporting period are shown in subparagraph 3. (8).

Allowance for realised and unrealised losses is made in the unit price where there is a realistic likelihood of the loss being relieved. If there is little prospect of the losses being relieved in the short to medium term, no credit is given in the unit price but the value of the losses is retained in a loss memorandum account to be offset against future gains.

### 3. (10)

#### RL Stakeholder Pension Plan

CIVs managed by the Society's wholly-owned subsidiary company RLUTM are held by the Royal London Stakeholder Pension Managed Fund. Purchase and sale of these CIVs is at the NAV per Share but may be subject to a dilution levy which is applied with the manager's discretion following principles set out in RLAM's Dilution Levy and Adjustment Policy. The NAV per Share is used in the calculation of the daily price of the internal linked fund passing the full benefit on to the policyholder.

The whole of the regular management charge made on each CIV together with audit, trustee, regulatory and custody fees incurred by each CIV are refunded to the fund to ensure that no additional charges are incurred by the policyholders.

#### Other than RL Stakeholder Pension Plan

CIVs managed by the Society's wholly-owned subsidiary companies RLUTM and RLUM Limited are held by some of the internal linked funds. Purchase and sale of these CIVs is at the NAV per Share but may be subject to a dilution levy which is applied with the manager's discretion following principles set out in RLAM's Dilution Levy and Adjustment Policy. The NAV per Share is used in the calculation of the daily price of the internal linked fund passing the full benefit on to the policyholder.

Some internal funds hold, as investments, units in CIVs operated by external fund managers. Units may be purchased from these fund managers at a discount from the full purchase price, the benefit of which is passed on to the policyholder. This discount varies according to the external fund manager in question.

In respect of Former RLCIS business, in the case of unit-linked individual personal pensions and stakeholder pensions, assets held within internal linked funds include units in RLUM Limited's own unit trusts. All purchases of units within one of RLUM Limited's unit trusts are made at the trust's Bid Price, which represents a 5% discount to the Offer Price. The full benefit of this discount is passed to policyholders.

In respect of Former RLCIS business and in the case of external funds and internal funds managed by external managers, a fee is payable direct to the external fund manager to cover investment and other expenses incurred. This does not affect policyholders' benefits. The fee is met from the annual management charge.

In respect of the purchase of shares of the Scottish Widows Global Growth OEIC to which the benefits of the Former CL Endowment Investment and Endowment Investment Escalator Plans are linked, the Society receives a discount on the initial charge of such shares. This discount is not passed on to policyholders, but is used to defray the Society's costs.

The management service charge is rebated as follows:

#### RL Business

The whole of the regular management charge made on CIVs managed by RLUTM is rebated to the relevant internal linked funds to ensure that policyholders pay only the same management charges as if the underlying assets had been held directly by the internal linked fund.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Former CL, Former GRELI, Former RA, Former RIL, Former UFI and Former UFLA Business

The whole of the regular management charge made on CIVs managed by RLUTM is rebated to the relevant internal linked funds to ensure that policyholders pay only the same management charges as if the underlying assets had been held directly by the internal linked fund.

### RL (intermediary), Former SL Business, Former RLA Business, Former PLAL, RL (bancassurance), Former SMA and Scottish Provident Business

The whole of the regular management charge made on CIVs managed by RLUTM is rebated to the relevant internal linked funds to ensure that policyholders pay only the same management charges as if the underlying assets had been held directly by the internal linked fund.

Annual fund management charges for external CIVs are accrued and collected by the fund managers on holdings in respect of the internal linked funds. Rebates of part of the management charges are payable on some of these funds, the benefit of these rebates being passed on to the policyholder. The rebates are as follows:

### RL (intermediary) and Former SL Business

Name	Annual Percentage Rate
RLP/Towry Defensive Portfolio	1.300%
RLP/Towry Growth Portfolio	1.300%
RLP/Towry Mixed Portfolio	1.300%
RLP/Neptune Global Alpha	1.000%
RLP/Newton Balanced	1.000%
RLP/Newton Managed	1.000%
RLP/Newton Balanced 'A'	1.000%
RLP/Newton Managed 'A'	1.000%
RLP/GLG Balanced Managed	1.000%
RLP/GLG Stockmarket Managed	1.000%
RLP/Investec Cautious Managed	0.875%
RLP/BlackRock Gold & General	0.875%
RLP/Invesco Perpetual UK Growth 'A'	0.800%
RLP Global Managed Equity Specialist (Invesco Perpetual Global Equity)	0.800%
RLP UK Equity Specialist (Invesco Perpetual UK Growth)	0.800%
RLP/M&G Global Dividend	0.750%
RLP/M&G Global Leaders	0.750%
RLP/Threadneedle Latin America	0.750%
RLP/Newton Global Higher Income	0.750%
RLP/Newton Real Return	0.750%
RLP/M&G Recovery	0.750%
RLP/M&G Global Basics	0.750%
RLP/Legg Mason US Smaller Companies	0.750%
RLP/Henderson China Opportunities	0.750%
RLP/JPMorgan New Europe	0.750%
RLP Emerging Markets Core Plus (JPM Emerging Markets)	0.750%
RLP/JPMorgan Natural Resources	0.750%
RLP UK Income Core Plus (Artemis Income)	0.750%
RLP UK Equity Specialist (Artemis UK Special Situations)	0.750%
RLP US Specialist (JPMorgan US)	0.750%
RLP/Threadneedle Absolute Return Bond	0.625%
RLP/M&G Optimal Income	0.625%
RLP/M&G High Yield Corporate Bond	0.625%
RLP/JPMorgan Cautious Managed	0.625%
RLP/UBS Global Allocation 'A'	0.550%
RLP/UBS Global Allocation	0.550%

# VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

Name	Annual Percentage Rate
RLP/Fidelity South East Asia	0.500%
RLP/M&G Strategic Corporate Bond	0.500%
RLP/M&G Corporate Bond	0.500%
RLP/Fidelity Emerging Europe Middle East and Africa	0.500%
RLP/Fidelity Strategic Bond	0.500%
RLP Europe Core Plus (Fidelity European Blended)	0.500%
RLP/Fidelity UK Growth	0.500%
RLP/Fidelity Special Situations Blended	0.500%
RLP US Core Plus (Fidelity American)	0.500%
RLP/Fidelity MoneyBuilder Income	0.500%
RLP/UBS Global Blend (50:50)	0.350%
RLP/UBS Global Blended (50:50) 'A'	0.350%
RLP/UK Income Specialist (Fidelity MoneyBuilder Dividend)	0.150%
RLP/Schroder MM Diversity Balanced	0.100%
RLP/Schroder MM Diversity Tactical	0.100%
RLP/Schroder MM International	0.100%
RLP/Schroder MM UK Growth	0.100%
RLP/Schroder MM Diversity	0.100%
RLP/HSBC FTSE 100 Index	0.100%
RLP/BlackRock UK Equity 'A'	0.100%
RLP/BlackRock UK Equity	0.100%
RLP/BlackRock Aquila Global Blend	0.004%/0.015%

## Former RLA Business

Name	Annual Percentage Rate
Royal Liver Global Equity Life Pooled	0.750%
Royal Liver Global Equity Pension Pooled	0.750%
Royal Liver High Yield Life Pooled	0.750%
Royal Liver High Yield Pension Pooled	0.750%

## Former PLAL, RL (bancassurance), Former SMA and Scottish Provident business

Name	Annual Percentage Rate
Royal London ANL Newton Managed - Pen	1.000%
Royal London ANL Merrill Lynch - Pen	0.750%
Royal London ANL Cautious Growth - Life	0.400%
Royal London ANL Higher Growth - Life	0.400%
Royal London ANL Steady Growth - Life	0.400%

# VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## Former RLCIS business

Name	Annual Percentage Rate
Royal London Blackrock European Dynamic	0.750%
Royal London Blackrock UK Special Situations	0.750%
Royal London Blackrock UK Dynamic	0.750%
Royal London Blackrock UK	0.750%
Royal London Blackrock UK Smaller Companies	0.750%
Royal London Blackrock US Dynamic	0.750%
Royal London Gartmore China Opportunities	0.750%
Royal London Gartmore US Growth	0.750%
Royal London Schroder Global Property Securities	0.750%
Royal London Schroder Income	0.750%
Royal London Schroder Recovery	0.750%
Royal London Invesco Perpetual Income	0.700%
Royal London Invesco Perpetual Latin America	0.700%
Royal London JPM Europe Smaller Companies	0.675%
Royal London JPM Japan	0.675%
Royal London JPM UK Strategic Growth	0.675%
Royal London Schroder UK Alpha Plus	0.650%
Royal London Schroder UK Mid 250	0.650%
Royal London Fidelity South East Asia	0.550%
Royal London Fidelity American	0.550%
Royal London Fidelity European	0.550%
Royal London Fidelity India Focus	0.550%
Royal London Fidelity Moneybuilder Dividend	0.500%
Royal London Gartmore Sterling Bond	0.500%
Royal London Gartmore World Select	0.500%
Royal London Invesco Perpetual High Yield	0.450%
Royal London Fidelity Moneybuilder Income	0.300%
Royal London Schroder Gilt & Fixed Interest	0.200%

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Valuation basis (other than special reserves)

#### 4. (1)

With the exception of Former RLCIS business, the mathematical reserves have been calculated as follows:

- (i) for non-linked business, other than accumulating with-profits business, mathematical reserves have been calculated using the gross premium method as the total of the present value of benefits (including existing annual bonus) plus the value of future expenses less the present value of future office premiums. Where appropriate, allowance has been made for payments in accordance with reinsurance treaties. There are a few exceptions which are detailed below.

With the exception of Former RLA business, mathematical reserves for Industrial Branch whole life assurance contracts with a contractual premium cessation date in the future are calculated assuming that the benefits will be paid at the premium cessation date.

Mathematical reserves on most with-profits contracts incorporate an allowance for a persistency decrement. Surrender values have been assumed to be equal to policy reserves for this purpose.

Negative mathematical reserves are permitted for Bright Grey protection products, Former PLAL, RL, and RL (bancassurance) protection products, Former SMA, Former SPL and Scottish Provident branded Self Assurance products, Caledonian business and Former RLA protection products. With the exception of Former RLA business, all other mathematical reserves were subject to a minimum of the surrender value of guaranteed benefits.

Allowance is made when calculating expense reserves in the Royal London IB & OB Subfund for some contracts which are valued in the Royal Liver Assurance and Scottish Life funds. Allowance is made when calculating reserves in the Royal Liver Assurance and Scottish Life funds for any future monies payable to the Royal London IB & OB Subfund.

- (ii) for accumulating with-profits business excluding the Funeral Bond contracts, in accordance with INSPRU 1.2.70R to INSPRU 1.2.72G, mathematical reserves have been calculated as the greater of a bonus reserve valuation and the lower of the surrender value under the policy having regard to the representations of the Society and that amount disregarding all discretionary adjustments. For the accumulating with-profits elements of Crest Growth Final Salary business, the reserve has been taken as the value of the units deemed allocated to policies in force at the valuation date, such amount being greater than the reserve required under INSPRU 1.2.70R to INSPRU 1.2.72G. The mathematical reserves for accumulating with-profits Funeral Bond contracts have been calculated as the higher of the identifiable current benefit, which includes credited and accrued annual bonuses but excludes any final bonus, reduced by the amount of any MVR currently applicable, and the present value of future benefits payable on death. When calculating the value of the future death benefits, appropriate allowance has been made for future expenses.

For Unitised Personal Pension Plan (Series 1 and 2), Budgetplan (TP1 and TP2), Profitbuilder, Crest Growth, Talisman Executive Pension Plan - 98 Series 1 and 2, Talisman Personal Pension Plan - 98 Series 1 and 2, Talisman Buyout Bond – 98 Series 1, Talisman Group Pension Plan - Series 1 to 6, Talisman CPS – Series 1 to 6, Talisman Freestanding AVC Pension Plan – 98 Series 1 and 2, Retirement Solutions - Group Personal Pensions, Retirement Solutions – Company Pension Scheme, Individual Executive Pension Plan, Pension Portfolio, Individual Section 32 Buy Out Plan, Former PLAL and Former RLA products with unitised with-profits benefits, a sterling reserve has been assessed in a similar manner as described below for linked business.

- (iii) for linked business, mathematical reserves have been calculated as a combination of a unit reserve and a sterling reserve, where the sterling reserve is determined on a cash flow approach by calculating the projected outgo and the projected amount available to meet the outgo. Each year's projected net cash flow was discounted to the valuation date. A series of summations was then carried out to determine the sterling reserve ensuring that, if the valuation assumptions were fulfilled, no valuation strains would emerge in future years. For premium paying policies, the sterling reserve for an individual policy was determined as the greater of:

- sterling reserve assuming the policy continues as premium paying, and
- sterling reserve assuming the policy becomes paid up at the valuation date.

Policy fees payable by customers were assumed to inflate where there is an established practice of increasing such fees. The valuation assumed no changes from current levels of risk benefit charges for these policies. No sterling reserves were set up for pension policies in the Scottish Life Fund as the liability is in respect of guaranteed annuity options on unit-linked liabilities which are included in the Royal London IB & OB Subfund. No sterling reserves were set up for policies investing in RLPPC funds.

With the exception of material lines of protection business issued at an extra premium, policies on under-average lives, issued at an extra premium or with a contingent debt upon the sum assured, have been valued at the true ages as if the policies in all cases had been issued for the full sum assured at ordinary rates. An additional reserve of the current year's extra premiums has been included.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

Certain assurances accepted at an increased rate of premium are valued at corresponding increased ages. For material lines of protection business issued at an extra premium, the extra premiums have been included within the gross premium cashflows valued. The extra risks associated with policies issued at an extra premium are allowed for either explicitly or implicitly in the demographic assumptions used.

In accordance with INSPRU 1.2.9R, no allowance has been made for final bonuses within the valuation of with-profits policies. In addition, as a realistic basis life firm, no allowance has been made for future annual bonuses except for Former UFI business in the United Friendly OB Subfund. UFI guaranteed a minimum annual bonus on its with-profits policies issued before 1987 at the rate of 1.50% for whole life assurances and 1.00% for endowment assurances. This minimum bonus has been valued as a liability throughout the remaining duration of the policies.

No additional reserves are held for investment performance guarantees.

Additional reserving information by origin of business:

### RL Business

- (i) The value of office premiums has been reduced to reflect a concession whereby the Society gives credit for LAPR not received from the Inland Revenue in respect of a small number of cases issued on or before 13 March 1984.
- (ii) Most whole life assurances under which premiums are payable throughout life have been valued as though premium payments cease at the policy anniversary preceding age 85 for ordinary branch business and at an advanced age for industrial branch business, in view of a concession currently in operation.
- (iii) For waiver of premium business other than RL (bancassurance), Bright Grey and Self Assurance (both direct business and reinsurance ceded), the reserve is the annual office premium. For RL (bancassurance), Bright Grey and Self Assurance a standard gross premium valuation method is used with a minimum reserve of zero. In all cases an additional reserve in respect of claims currently being paid is held.
- (iv) In the valuation of some group deferred annuities, the reserve has been taken as the sum of:
  - (a) the present value of pensions purchased up to and including 5 April 2015, with allowance for future expenses of 2.43% of the pension, and
  - (b) the premiums paid between 6 April 2015 and 31 December 2015 (which are not allocated to purchase pensions until 5 April 2016).
- (v) The reserve for group life policies, for most of which the premiums are due monthly on the 6<sup>th</sup> of each month, has been taken as the total of premiums paid between 6 July 2015 and 6 December 2015, both dates inclusive.
- (vi) For permanent health insurance policies, additional reserves have been included in respect of claims currently being paid.
- (vii) Individual Executive Pension Plan and Pension Portfolio Lump Sum Benefits - the reserve is the proportion of the year's premium required to meet the unexpired risk.

### Former CL Business

- (i) The mathematical reserves include explicit provisions in respect of the cost of undertakings given by the Society to certain policyholders whose applications were under consideration at the time of the removal of Life Assurance Premium Relief.

### Former PLAL Business

- (i) The net unit liability shown on Form 53 includes an additional unit reserve to provide for the cost of loyalty bonuses available on certain products. The following table shows the rate of loyalty bonus applying to each product line.

Former PLAL Product	Loyalty Bonus
Low Cost Endowment, Low Start Endowment, Personal Pension Single, Top-up Pension Single	0.75% annually from year 10 onwards
Personal Pension Regular, Top-up Pension Regular	0.35% annually from year 10 onwards
N&P Low Cost Endowment	0.75% annually from year 1 or 6 depending on series
N&P Low Start Endowment	0.75% annually from year 1 or 11 depending on series
N&P Flexible Lifetime, N&P Regular Savings Plan	0.75% annually from year 1
N&P Personal Pension Regular, N&P Top-up Pension Regular	0.75% annually from year 6 or 11 depending on series

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Former RLA Business

- (i) For Caledonian deferred annuity contracts the value of the benefits has been taken to be the larger of the present value of the deferred annuity and the present value of the guaranteed cash option (where available).

### Former SL Business

#### *Individual Contracts*

- (i) In cases where free cover had been granted at the outset of the contract a reserve equal to 6 months' chargeable premiums in respect of the sum at risk was held.
- (ii) The reserves in the following classes were calculated as follows:
  - (1) Sovereign Plan - the reserve for the temporary assurance benefit is calculated as the proportion of the year's premium required to meet the unexpired risk.
  - (2) Talisman Executive Pension Plan - Series 1 and 2 Lump Sum and Widow's Death in Service Benefits, Talisman Executive Pension Plan - 98 Series 1 and 2 Lump Sum Benefits, Talisman Freestanding AVC Pension Plan - 98 Series 1 and 2 Lump Sum Benefits and Talisman Personal Pension Plan - 98 Series 1 and 2 Lump Sum Benefits - the reserve is the proportion of the year's premium required to meet the unexpired risk.
  - (3) Capital Investment Bond & Flexible Life Plan – an additional mortality reserve equal to  $1/6$  of  $q_x$  times sum at risk is held.
  - (4) Waiver of Premium Benefit – the reserve is the annual office premium plus an additional reserve in respect of claims currently being paid.
  - (5) Profitbuilder Plan – for contracts including Living Cover (Critical Illness) Benefit, the reserve for that benefit is calculated as one full year's risk premium.
  - (6) Mortgage Interest Benefit – the reserve is the proportion of the year's premium required to meet the unexpired risk.

#### *Group Contracts*

- (i) For Group Deferred Annuities (including the Section 591 Buy Out Bond), Group Deferred Cash and Group Endowments the liability was obtained by taking the present value of the benefits purchased by the actual premiums paid to the date of valuation. Adjustments were made in respect of premiums paid to the date of valuation which had not been used to purchase benefits as at the valuation date and in respect of exits which had not been fully processed. Similar adjustments were made under Crest Growth Plan and Crest Secure Plan. The method of valuation used in dealing with these adjustments was such as to reproduce approximately the correct reserve according to the basis described elsewhere in these Returns.
- (ii) The reserves for the following classes were calculated as follows:
  - (1) Group Life Assurances and Death in Service Widow's Benefit - the proportion of the year's premium required to meet the unexpired risk, including allowances for possible late notification of claims and any rate guarantees.
  - (2) Group Permanent Health Policies - the proportion of the year's premium required to meet the unexpired risk, including allowances for possible late notification of claims and any rate guarantees plus an additional reserve in respect of claims currently being paid.

### Former UFI and UFLA Business

- (i) Whole life policies with recurring endowments issued before 6 April 1979 in the United Friendly IB Subfund are valued on the assumption that the policyholder will take whatever endowment sum is due on the quinquennial policy anniversary next following the valuation date.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Former RLCIS business

#### (i) Ordinary Section

For traditional with-profits business, the mathematical reserves have been calculated using a net premium approach, except as mentioned below, by deducting from the present value of the benefits the present value of the net premiums (restricted to a maximum of the office premiums) with additional loading reserves in certain cases. Where a policy has been altered, an appropriate adjustment has been made to the net premium. Any negative reserves have been eliminated.

The mathematical reserves for certain non-profit temporary assurances, whole of life and endowment contracts have been calculated using a gross premium approach, by deducting the present value of the future office premiums payable from the present value of the benefits plus allowance for future servicing expenses, with a prudent allowance for lapses.

The mathematical reserves for accumulating with-profits contracts have been calculated as the higher of the identifiable current benefit, which includes credited and accrued annual bonuses but excludes any final bonus, reduced by the amount of any MVR currently applicable, and the present value of future benefits payable on death. When calculating the value of the future death benefits, appropriate allowance has been made for future expenses. In the case of Platinum Bond Plus, allowance has also been made as appropriate for the guaranteed first year's bonuses, future withdrawals of income, and the guarantee that no market value reduction will be made in respect of premiums paid prior to 1 April 2000 and 10 years or more prior to the date of surrender. In the case of Platinum Plus policies for which an overflow contract has been set up to receive regular contributions paid in excess of the ISA limits, the ISA and overflow contracts have been treated as a single contract for the purposes of valuation. The valuation basis used is that applicable to the ISA contract, this being the basis which gives rise to the higher overall liability. Single premium overflow contracts have been valued using the non-ISA basis. An additional reserve has been established in respect of future increases in surrender values over the amounts derived from future premiums plus interest at the valuation rate of interest, less an additional allowance for future expenses.

The reserve held in respect of unit-linked Individual Personal Pension, stakeholder pension and AVC Plan contracts is the sum of the unit liability and the sterling reserve for each contract. The unit liability is the value of units allocated to policyholders. The sterling reserve is calculated by projecting expected income and outgo and discounting back to the valuation date any excess of outgo over income. For this purpose, income consists of the charges made to the relevant linked funds and outgo consists of future expenses and commission.

The reserve held in respect of with-profits Individual Personal Pensions, stakeholder pensions and AVC Plan contracts is the sum of the unit liability and the sterling reserve for each contract. For with-profits stakeholder pension contracts, the unit liability is taken to be the unsmoothed value of the policyholders' funds, which is equivalent to the market value of the assets. The difference between the smoothed and unsmoothed value of the funds is referred to as the smoothing reserve. The smoothing reserve may be positive or negative, a negative smoothing reserve indicating that support is being provided to with-profits stakeholder pension business from the balance of the long-term business. However, this support is only temporary, as the negative smoothing reserve will in due course be recovered from stakeholder pension policies through the operation of the smoothing mechanism. As a result, no additional provision is made in respect of circumstances in which the smoothed value of policyholders' funds exceeds the unsmoothed value. Similar principles apply to the valuation of with-profits Individual Personal Pension and AVC Plan contracts.

For certain temporary assurance benefits, the mathematical reserves have been calculated as a multiple of the office premiums. For assurances where a reduction is made to the sum assured in the event of death, the reduction has been disregarded and the full sum assured included in the valuation. In all cases where an extra premium is charged, a reserve of one year's extra premiums has been made in the valuation.

An inception and annuity approach has been used to value disability benefits under permanent health insurance, income protection and waiver of premium policies. An additional reserve is held in respect of claims currently in payment.

Provision has been made on a prudent basis for the estimated costs of compensation in respect of mortgage endowment complaints. The provision has been calculated as the present value of the expected cost of such complaints plus the future expenses of processing the complaints, and includes an allowance for complaints to be made in future. The amount of this provision totalled £1.66m.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### (ii) Industrial Section

The mathematical reserves for with-profits contracts have been calculated by deducting from the present value of the benefits the present value of the net premiums (restricted to a maximum of the office premiums) with additional loading reserves in certain cases.

The mathematical reserves for non-profit whole of life and endowment contracts have been calculated as the present value of the benefits plus expenses less the present value of the future premiums, with a prudent allowance for lapses.

### (iii) In each Section

Provision has been made for the immediate payment of claims, for the cessation of premiums under whole life assurances at the appropriate ages, for future expenses and for optional contractual benefits.

Where the net premium method of valuation has been used, it has been used without modification.

Where negative reserves arose for certain non-profit protection, whole of life and endowment contracts, these have not been eliminated, but used to offset mathematical reserves for other contracts which have a positive value when establishing the overall mathematical reserves. Where negative reserves arose for other long-term business liabilities, the methodology used in the valuation automatically eliminated those negative reserves, and an additional amount has been reserved in respect of policies where outstanding premiums exceed the basic liability.

Allowance is made when calculating expense reserves in the Royal London IB & OB Subfund for some contracts which are valued in the Royal London (CIS) Subfund. Allowance is made when calculating reserves in the Royal London (CIS) Subfund for any future monies payable to the Royal London IB & OB Subfund.

## 4. (2)

The following table shows the valuation interest rates used to calculate the liabilities at this valuation together with the interest rates assumed in the previous investigation:

**VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY**

	PLAL With-Profits Fund		Royal London (CIS) Subfund		Scottish Life Fund		Royal Liver Assurance Fund		All other subfunds	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
UK Life assurance:										
Conventional with-profits business	n/a	n/a	2.90%	2.80%	1.60%	1.90%	2.25%	2.25%	Note 1	Note 1
Accumulating with-profits business	3.40%	3.40%	2.90%	2.80%	1.60%	1.90%	2.25%	2.25%	Note 1	Note 1
Conventional non-profit business	n/a	n/a	2.90%	2.80%	1.60%	1.90%	2.25%	2.25%	Note 1	Note 1
Non-profit business with negative reserves	n/a	n/a	2.90%	3.249%	n/a	n/a	n/a	n/a	n/a	n/a
Sterling reserve discount rate										
- life business	n/a	n/a	1.80%	1.70%	n/a	1.70%	2.25%	2.125%	1.80%	1.70%
- PHI business	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2.25%	2.125%
Purchased life annuities:										
- gross	n/a	n/a	n/a	n/a	n/a	n/a	2.625%	2.625%	3.00%	2.875%
- net	n/a	n/a	2.50%	2.20%	n/a	n/a	n/a	n/a	2.40%	2.30%
Conventional PHI & sickness benefits	n/a	n/a	2.90%	2.80%	3.00%	2.875%	2.25%	2.25%	3.75%	3.75%
Pensions, Insurance ISA, Overseas Business:										
Conventional and accumulating with-profits business	3.75%	3.625%	2.25%	2.125%	2.00%	2.25%	2.25%	2.25%	Note 2	Note 2
Conventional non-profit business	n/a	n/a	3.625%	3.25%	2.00%	2.25%	2.25%	2.25%	3.75%	3.75%
Ordinary Branch deferred pension bond	n/a	n/a	3.625%	3.25%	n/a	n/a	n/a	n/a	n/a	n/a
Ordinary Branch pension non-profit assurances with negative reserves	n/a	n/a	3.625%	5.002%	n/a	n/a	n/a	n/a	n/a	n/a
Sterling reserve discount rate	n/a	n/a	2.250%	2.125%	2.250%	2.125%	Note 3	Note 3	2.25%	2.125%
Compulsory purchase pension annuities in payment – RPI linked	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-1.00%	-1.00%
Compulsory purchase pension annuities in payment	n/a	n/a	3.125%	2.75%	n/a	n/a	2.625%	2.625%	3.00%	2.875%

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

Notes:

1) For conventional life business, the 2015 & 2014 valuation interest rates differ by subfund and are shown in the following table:

	RA IB subfund		UF IB subfund		UF OB subfund		RL IB & OB subfund	
	2015	2014	2015	2014	2015	2014	2015	2014
Conventional and accumulating with-profits business	3.60%	3.80%	4.20%	4.40%	2.90%	3.00%	3.20%	3.40%
Conventional non-profit business *	3.60%	3.80%	n/a	n/a	n/a	n/a	3.20%	3.40%

\* Conventional non-profit business sold prior to 1/1/2013 is valued on the net rates shown above. Post 1/1/2013 conventional non-profit business is subject to gross roll up taxation and is valued using the equivalent gross rates applied to Pensions, Insurance ISA and Overseas business.

2) For conventional pensions, insurance ISA & overseas business, the 2015 & 2014 interest rates differ by subfund and are shown in the following table:

	RL IB & OB subfund		UF OB subfund	
	2015	2014	2015	2014
Conventional and accumulating with-profits business	3.75%	3.75%	3.375%	3.50%

Paragraph 4. (1) (ii) stated that the reserves for certain accumulating with-profits contracts consisted of a with-profits benefit reserve and a sterling reserve. These calculations used the appropriate valuation interest rates from the table.

The valuation of certain deferred annuity contracts and deferred cash contracts with an annuity rate guarantee used a stochastic approach described in paragraph 5. (1). The interest rates used have not been provided.

3) The sterling reserve discount rates for the Royal Liver Assurance Fund are 2.250% for pensions business (2.125% in 2014) and 1.250% for overseas business (1.00% in 2014).

4) UK life assurance business in the Royal Liver Assurance Fund has been valued using gross rates of interest reflecting the tax status of the fund.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### 4. (3)

The yields on assets have been adjusted in accordance with INSPRU 3.1.41R as set out below:

- |       |                                 |   |
|-------|---------------------------------|---|
| (i)   | UK Equities                     | The yields were reduced by a 5% margin and the risk adjusted return was subject to a maximum of the UK FTSE Actuaries 15 year gilt yield index plus 6.75%.  |
| (ii)  | Overseas Equities               | The risk adjustment was consistent with that made in respect of UK equities, but with a 7.5% margin.  |
| (iii) | Land                            | The yields were reduced by a fixed margin of 0.5% and the risk adjusted return was subject to a maximum of the UK FTSE Actuaries 15 year gilt yield index plus 6.75%.                                     |
| (iv)  | Other fixed interest securities | The yields were reduced by a margin which varied by rating and term to maturity, with external ratings used where available otherwise equivalent internal ratings were used. The margins were as follows: |

Outstanding Term	AAA	AA	A	BBB	BB	B	C
0 to 1 year	0.06%	0.26%	0.31%	0.86%	1.98%	4.54%	12.41%
1 to 2 years	0.07%	0.27%	0.33%	0.87%	2.03%	4.55%	11.56%
2 to 3 years	0.07%	0.28%	0.35%	0.89%	2.07%	4.51%	10.84%
3 to 4 years	0.08%	0.29%	0.37%	0.89%	2.10%	4.45%	10.23%
4 to 5 years	0.09%	0.30%	0.39%	0.90%	2.11%	4.38%	9.73%
5 to 6 years	0.09%	0.31%	0.41%	0.90%	2.12%	4.30%	9.30%
6 to 7 years	0.10%	0.32%	0.42%	0.91%	2.12%	4.22%	8.94%
7 to 8 years	0.11%	0.33%	0.43%	0.91%	2.12%	4.14%	8.61%
8 to 9 years	0.11%	0.33%	0.45%	0.90%	2.11%	4.06%	8.32%
9 to 10 years	0.12%	0.34%	0.46%	0.90%	2.10%	3.99%	8.08%
10 to 11 years	0.13%	0.35%	0.47%	0.90%	2.08%	3.93%	7.85%
11 to 12 years	0.13%	0.36%	0.47%	0.90%	2.07%	3.86%	7.64%
12 to 13 years	0.14%	0.36%	0.48%	0.90%	2.05%	3.81%	7.45%
13 to 14 years	0.14%	0.37%	0.49%	0.89%	2.03%	3.75%	7.27%
14 to 15 years	0.15%	0.37%	0.49%	0.89%	2.01%	3.70%	7.11%
15 to 16 years	0.15%	0.38%	0.50%	0.89%	1.99%	3.66%	6.97%
16 to 17 years	0.16%	0.38%	0.50%	0.88%	1.97%	3.62%	6.84%
17 to 18 years	0.17%	0.39%	0.51%	0.88%	1.96%	3.58%	6.72%
18 to 19 years	0.17%	0.39%	0.51%	0.87%	1.94%	3.55%	6.60%
19 to 20 years	0.18%	0.40%	0.51%	0.87%	1.92%	3.52%	6.48%
20 to 21 years	0.18%	0.40%	0.52%	0.87%	1.90%	3.50%	6.41%
21 to 22 years	0.19%	0.40%	0.52%	0.86%	1.89%	3.47%	6.33%
22 to 23 years	0.19%	0.40%	0.52%	0.86%	1.87%	3.45%	6.27%
23 to 24 years	0.19%	0.41%	0.52%	0.85%	1.86%	3.43%	6.20%
24 to 25 years	0.20%	0.41%	0.53%	0.85%	1.85%	3.41%	6.14%
25 to 26 years	0.20%	0.41%	0.53%	0.85%	1.83%	3.40%	6.08%
26 to 27 years	0.21%	0.42%	0.53%	0.84%	1.82%	3.38%	6.02%
27 to 28 years	0.21%	0.42%	0.53%	0.84%	1.81%	3.37%	5.96%
28 to 29 years	0.21%	0.42%	0.53%	0.84%	1.80%	3.36%	5.90%
29 to 30 years	0.22%	0.42%	0.53%	0.84%	1.79%	3.35%	5.85%
.....							
39 to 40 years	0.24%	0.43%	0.53%	0.82%	1.76%	3.29%	4.94%
.....							
49+ years	0.25%	0.43%	0.53%	0.82%	1.76%	3.28%	4.09%

Adjusted yields were capped at 6.25% above the gilt yield for the same term for corporate bonds and 5% above the gilt yield for the same term for European government bonds. Negative yields were set to zero.

# VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## 4. (4)

The following table shows the valuation mortality assumptions used to calculate the liabilities at this valuation together with the equivalent assumptions from the previous investigation:

	2015	2014	Expectation of Life code
Industrial branch business			
- Former RA & Former UFI business	78.84% ELT16(M)	82.08% ELT16(M)	
- RL	59.40% ELT16(M)	82.08% ELT16(M)	
- Former RLA business	64.80% ELT16(M)	70.2% ELT16(M)	
- Former RLCIS business – Whole of Life Assurances	70.2% ELT16(M)	70.2% ELT16(M)	
- Former RLCIS business – Endowment Assurances	81% ELT16(M)	81% ELT16(M)	
Ordinary branch business:			
RL Life and pension business a) annuities currently in payment, and b) deferred annuities in possession	100% PPMV00 CMI(2014) 2% p.a. (males) & 87% PPV00 CMI(2014) 2% p.a. (females) See note [1].	100% PPMV00 CMI(2013) 2% p.a. (males) & 87% PPV00 CMI(2013) 2% p.a. (females) See note [2].	1
Former SL Life and pension business a) annuities currently in payment, and b) deferred annuities in possession	91% PPMV00 CMI(2014) 2% p.a. (males) & 83% PPV00 CMI(2014) 2% p.a. (females) See note [1].	91% PPMV00 CMI(2013) 2% p.a. (males) & 83% PPV00 CMI(2013) 2% p.a. (females) See note [2].	2
Former RLCIS business (life) (a) annuities currently in payment	83% IML00 CMI (2012) 2% p.a. (males) & 83% IFL00 CMI (2012) 2% p.a. (females) See note [1].	83% IML00 CMI (2012) 2% p.a. (males) & 83% IFL00 CMI (2012) 2% p.a. (females) See note [2].	3
Former RLCIS business (personal pension) a) annuities currently in payment, and b) deferred annuities in possession	115.37% PPMV00 CMI(2014) 2% p.a. (males) & 107.90% PPV00 CMI(2014) 2% p.a. (females) See notes [1] & [3].	112.88% PPMV00 CMI(2012) 2% p.a. (males) & 103.75% PPV00 CMI(2012) 2% p.a. (females) See notes [1] & [3].	4
Former RLCIS business (Table P – Section 226 retirement annuity) (a) annuities currently in payment and (b) deferred annuities in possession	96.28% RMV00 CMI(2014) 2% p.a. (males) & 100.43% RFV00 CMI(2014) 2% p.a. (females) See notes [1] & [3].	99.6% RMV00 CMI(2012) 2% p.a. (males) & 105.41% RFV00 CMI(2012) 2% p.a. (females) See notes [1] & [3].	5
Former RLCIS business (Section 32 Buyout Bond) (a) annuities currently in payment and (b) deferred annuities in possession	104.58% RMV00 CMI(2014) 2% p.a. (males) & 141.10% RFV00 CMI(2014) 2% p.a. (females) See notes [1] & [3].	107.9% RMV00 CMI(2012) 2% p.a. (males) & 145.25% RFV00 CMI(2012) 2% p.a. (females) See notes [1] & [3].	6
Pensions in deferment:			
- RL (intermediary) and Former SL group Business	66.24% AMC00 & 65.32% AFC00	71.76% AMC00 & 72.68% AFC00	
- RL (intermediary) and Former SL individual business	64.40% AMC00 & 67.16% AFC00	72.68% AMC00 & 71.76% AFC00	
- Former RA business and Former UF business (non-linked pure endowments)	Nil	Nil	
- Former RA business (non-linked other)	82.80% PPMD00 & 88.32% PPFD00	95.68% PPMD00 & 88.32% PPFD00	

**VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY**

	2015	2014	Expectation of Life code
- RL business (non-linked) and Former UF business (non-linked other)	97.20% PPMD00 & 103.68% PPFD00	112.32% PPMD00 & 103.68% PPFD00	
- RL business, Former CL business, Former RIL business, Former UF business and Former UFLA business (linked)	108.00% AMC00 & 96.12% AFC00	108.00% AMC00 & 117.72% AFC00	
- Former PLAL Pension Term Assurance	88.56% TMS00 sel & 88.56% TFS00 sel (smoker) 88.56% TMN00 sel & 88.56% TFN00 sel (non-smoker)	92.88% TMS00 sel & 95.04% TFS00 sel (smoker) 88.56% TMN00 sel & 90.72% TFN00 sel (non-smoker)	
- Former PLAL Pensions other than Stakeholder, Flexi and AVC	138.24% AM92 & 172.80% AF92 (smoker) 69.12% AM92 & 86.40% AF92 (non-smoker)	138.24% AM92 & 172.80% AF92 (smoker) 69.12% AM92 & 86.40% AF92 (non-smoker)	
- Former PLAL Stakeholder, Flexi and AVC Pensions	75.6% AM92 & 75.6% AF92	75.6% AM92 & 75.6% AF92	
- Former RLA UWP pensions	95.68% AMC00 & 100.28% AFC00	95.68% AMC00 & 100.28% AFC00	
- Former RLA Traditional Pensions with GAOs	95.68% AMC00 & 100.28% AFC00	95.68% AMC00 & 100.28% AFC00	
- Former RLA Traditional Pensions without GAOs	95.68% AMC00 & 100.28% AFC00	95.68% AMC00 & 100.28% AFC00	
Assured Lives:			
- RL (intermediary) and Former SL business	59.40% AMC00 & 97.20% AFC00	59.40% AMC00 & 97.20% AFC00	
- Bright Grey Protection Plan Life cover (UK and overseas) (level)	72.36% TMS00 sel & 74.52% TFS00 sel (smoker) 64.80% TMN00 sel & 66.96% TFN00 sel (non-smoker)	72.36% TMS00 sel & 74.52% TFS00 sel (smoker) 64.80% TMN00 sel & 66.96% TFN00 sel (non-smoker)	
- Bright Grey Protection Plan Life cover (UK and overseas) (decreasing)	86.40% TMS00 sel & 82.08% TFS00 sel (smoker) 76.68% TMN00 sel & 73.44% TFN00 sel (non-smoker)	86.40% TMS00 sel & 82.08% TFS00 sel (smoker) 76.68% TMN00 sel & 73.44% TFN00 sel (non-smoker)	
- RL safe combination™	86.40% AM92 & 86.40% AF92	86.40% AM92 & 86.40% AF92	
- European Bond, With Profits Bond Plus (UK and overseas)	73.60% AM92 & 73.60% AF92	73.60% AM92 & 73.60% AF92	
- RL Funeral Plan	84.24% ELT16(M)	n/a	
- RL business, Former CL business, Former RA business and Former UF business (non-linked)	90.72% AMC00 & 117.72% AFC00	90.72% AMC00 & 117.72% AFC00	
- RL business, Former CL business, Former RA business, Former RIL business, Former UF business and Former UFLA business (linked)	108.00% AMC00 & 96.12% AFC00	108.00% AMC00 & 117.72% AFC00	
- Former PLAL and RL (bancassurance) Life Term Assurance (level)	88.56% TMS00 sel & 88.56% TFS00 sel (smoker) 88.56% TMN00 sel & 88.56% TFN00 sel (non-smoker)	92.88% TMS00 sel & 95.04% TFS00 sel (smoker) 88.56% TMN00 sel & 90.72% TFN00 sel (non-smoker)	
- Former PLAL and RL (bancassurance) Life Term Assurance (decreasing)	85.32% TMS00 sel & 85.32% TFS00 sel (smoker) 85.32% TMN00 sel & 85.32% TFN00 sel (non-smoker)	89.64% TMS00 sel & 100.44% TFS00 sel (smoker) 85.32% TMN00 sel & 96.12% TFN00 sel (non-smoker)	
- Former PLAL Protection Plan Stand-Alone CI	Nil	Nil	

**VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY**

	2015	2014	Expectation of Life code
- Former PLAL Whole of life & Endowment Assurances	108% AM92 & 135% AF92 (smoker) 57.24% AM92 & 57.24% AF92 (non-smoker)	108% AM92 & 135% AF92 (smoker) 57.24% AM92 & 57.24% AF92 (non-smoker)	
- Former PLAL WP Bond and ISA	54% AM92 & 64.8% AF92	54% AM92 & 64.8% AF92	
- Former PLAL and RL (bancassurance) Investment Bonds	54% AM92 & 75.6% AF92	54% AM92 & 75.6% AF92	
- Former PLAL Stand-Alone CIC, N&P Life	138.24% AM92 & 172.8% AF92 (smoker) 69.12% AM92 & 86.4% AF92 (non-smoker)	138.24% AM92 & 172.8% AF92 (smoker) 69.12% AM92 & 86.4% AF92 (non-smoker)	
- Former SMA, Former SPL and Scottish Provident branded Self Assurance (death only) (level)	100.44% TMS00 sel & 87.48% TFS00 sel (smoker) 74.52% TMN00 sel & 64.80% TFN00 sel (non-smoker)	100.44% TMS00 sel & 87.48% TFS00 sel (smoker) 74.52% TMN00 sel & 64.80% TFN00 sel (non-smoker)	
- Former SMA, Former SPL and Scottish Provident branded Self Assurance (death only) (decreasing)	95.04% TMS00 sel & 112.32% TFS00 sel (smoker) 70.20% TMN00 sel & 83.16% TFN00 sel (non-smoker)	95.04% TMS00 sel & 112.32% TFS00 sel (smoker) 70.20% TMN00 sel & 83.16% TFN00 sel (non-smoker)	
- Former SMA and Scottish Provident branded Unit-Linked Pegasus (death only)	93.96% TMS00 sel & 87.48% TFS00 sel (smoker) 63.72% TMN00 sel & 59.40% TFN00 sel (non-smoker)	98.28% TMS00 sel & 86.40% TFS00 sel (smoker) 69.12% TMN00 sel & 60.48% TFN00 sel (non-smoker)	
- RL (bancassurance) Guaranteed Lifetime Plan	Modified reinsurers' risk rates. See note [4].	Modified reinsurers' risk rates. See note [5].	
- Former RLA business	112.32% AMC00 & 117.72% AFC00	112.32% AMC00 & 117.72% AFC00	
- Former RLA Progress	Modified TM92 & TF92 See Note [6].	Modified TM92 & TF92 See Note [6].	
- Former RLA (Caledonian) Broker Term Assurance	66.96% TMS00 sel & 91.80% TFS00 sel (smoker) 59.40% TMN00 sel & 87.48% TFN00 sel (non-smoker)	66.96% TMS00 sel & 91.80% TFS00 sel (smoker) 59.40% TMN00 sel & 87.48% TFN00 sel (non-smoker)	
- Former RLA & RL (Caledonian) EBS Term Assurance	87.48% TMS00 sel & 86.40% TFS00 sel (smoker) 101.52% TMN00 sel & 87.48% TFN00 sel (non-smoker)	87.48% TMS00 sel & 86.40% TFS00 sel (smoker) 101.52% TMN00 sel & 87.48% TFN00 sel (non-smoker)	
- RL (Caledonian) Level Broker Term Assurance	73.44% TMS00 sel & 75.60% TFS00 sel (smoker) 64.80% TMN00 sel & 66.96% TFN00 sel (non-smoker)	73.44% TMS00 sel & 75.60% TFS00 sel (smoker) 64.80% TMN00 sel & 66.96% TFN00 sel (non-smoker)	
- RL (Caledonian) Decreasing Broker Term Assurance	87.48% TMS00 sel & 83.16% TFS00 sel (smoker) 77.76% TMN00 sel & 74.52% TFN00 sel (non-smoker)	87.48% TMS00 sel & 83.16% TFS00 sel (smoker) 77.76% TMN00 sel & 74.52% TFN00 sel (non-smoker)	
Former RLCIS - accumulating with-profits assurances Platinum Bond Plus	87.4% AMC00	87.4% AMC00	
Former RLCIS - accumulating with-profits assurances (Platinum Plus non ISA and Platinum Plus ISA)	59.8% AMC00	59.8% AMC00	
Former RLCIS – Funeral plan	84.24% ELT16(M)	84.24% ELT16(M)	

# VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

	2015	2014	Expectation of Life code
Former RLCIS – with-profits assurances (WL)	70.2% AMC00	70.2% AMC00	
Former RLCIS – with-profits assurances (END)	66.96% AMC00	66.96% AMC00	
Former RLCIS – non-profit assurances (life and pensions excluding personal pension term assurance written prior to 6 April 2001)	81% TMC00 103.68% TMS00 & 54% TFS00 (smoker) 87.48% TMN00 & 93.96% TFN00 (non-smoker)	81% TMC00 103.68% TMS00 & 54% TFS00 (smoker) 87.48% TMN00 & 93.96% TFN00 (non-smoker)	
Former RLCIS – non-profit assurances (personal pension term assurance written prior to 6 April 2001)	68.04% TMC00 71.28% TMS00 & 68.04% TFS00 (smoker) 71.28% TMN00 & 68.04% TFN00 (non-smoker)	68.04% TMC00 71.28% TMS00 & 68.04% TFS00 (smoker) 71.28% TMN00 & 68.04% TFN00 (non-smoker)	
Former RLCIS – permanent health Insurance	70% TMC00	70% TMC00	

Ultimate rates of mortality are used unless indicated otherwise.

*Note [1]: Annuities currently in payment and deferred pension annuities in possession 2015*

The mortality basis is displayed as a % of base table mortality in 2000 projected in line with the CMI model mortality improvements and a % per annum long term improvement rate.

*Note [2]: Annuities currently in payment and deferred pension annuities in possession 2014*

A description of the 2014 assumption can be found on page 326 of the 2014 Annual PRA Insurance Returns.

*Note [3]: Former RLCIS: Deferred annuities*

In cases where the death benefit is a return with interest of premiums paid, or of the accumulated fund, no allowance for mortality in the deferred period is made.

For annuities currently in payment, the required complete expectation of life information is contained in the following table:

Code (see table above)	Age	2015		2014	
		Male	Female	Male	Female
1	65	25.35	28.73	25.32	28.66
1	75	15.95	18.49	15.92	18.45
2	65	26.11	29.09	26.09	29.03
2	75	16.59	18.81	16.55	18.77
3	65	27.03	29.69	27.62	30.77
3	75	17.19	19.19	17.65	20.25
4	65	24.31	27.25	24.75	27.77
4	75	15.13	17.19	15.49	17.68
5	65	24.31	27.23	24.30	27.10
5	75	15.04	17.19	15.03	17.10
6	65	23.60	24.54	23.61	24.56
6	75	14.45	14.87	14.46	14.91

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

For deferred annuity pension contracts, the required complete expectation of life information is contained in the following table:

Code (see table above)	Age	2015		2014	
		Male	Female	Male	Female
1	45	28.13	31.40	28.16	31.34
1	55	26.72	30.08	26.74	30.01
2	45	28.90	31.76	28.93	31.71
2	55	27.49	30.44	27.51	30.37
4	45	27.11	29.92	27.59	30.45
4	55	25.71	28.60	26.16	29.13
5	45	27.06	30.13	27.38	30.01
5	55	25.52	28.70	25.83	28.57
6	45	26.63	27.45	26.68	27.50
6	55	25.09	26.01	25.13	26.04

*Note [4]: RL (bancassurance) Guaranteed Lifetime Plan 2015*

The mortality assumptions for these contracts are based on proportions of the reinsurer's rates, the proportions varying by gender only. The minimum age of entry for this plan is 40, hence rates are not provided at ages 25 and 35. Sample mortality rates are:

Age	Male	Female
45	0.005069	0.004191
55	0.009860	0.006849

*Note [5]: RL (bancassurance) Guaranteed Lifetime Plan 2014*

A description of the 2014 assumption can be found on page 327 of the 2014 Annual PRA Insurance Returns.

*Note [6]: Former RLA Progress 2014 & 2015*

Mortality rates for Progress business are based upon adjustments to standard tables TM92 ultimate and TF92 ultimate. Sample mortality rates are:

Age	Male non-smoker	Male smoker	Female non-smoker	Female smoker
25	0.000506	0.000819	0.000207	0.000353
35	0.000454	0.000821	0.000350	0.000628
45	0.000946	0.002024	0.000834	0.001745
55	0.002822	0.006563	0.002117	0.004876

There is sufficient margin within the mortality rates assumed in the valuation to allow for significant changes in the incidence of disease or developments in medical science. No additional provision has been made.

# VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## 4. (5)

The following table shows the valuation morbidity assumptions used to calculate the liabilities at this valuation together with the equivalent assumptions from the previous investigation:

	2015	2014
Bright Grey Protection Plan Life or Critical Illness cover (UK and overseas) – reviewable business	116.15% modified AC04 See note [1]	116.15% modified AC04 See note [2]
Bright Grey Protection Plan Life or Critical Illness cover (UK and overseas) – guaranteed business	120.75% modified AC04 See note [1]	120.75% modified AC04 See note [2]
Bright Grey Protection Plan Critical Illness cover (UK and overseas) – reviewable business	116.15% modified SAC04 See note [3]	116.15% modified SAC04 See note [4]
Bright Grey Protection Plan Income Cover for Sickness (UK and overseas)	Modified IPM 1991-1998 See note [5]	Modified IPM 1991-1998 See note [6]
Former UFLA Protection Plan – critical illness benefit	Modified reinsurer's risk rates See note [7]	Modified reinsurer's risk rates See note [7]
Former UFLA Protection Plan – income replacement benefit	Modified reinsurer's risk rates See note [8]	Modified reinsurer's risk rates See note [8]
RL (intermediary) and Former SL Profitbuilder – critical illness benefit	Modified reinsurer's risk rates See note [9]	Modified reinsurer's risk rates See note [9]
Former PLAL and RL (bancassurance) with stand-alone critical illness benefit	173.88% SACMSL04 & 173.88% SACFSL04 (smoker) 173.88% SACMNL04 & 173.88% SACFNL04 (non-smoker)	135.240% SACMSL04 & 160.598% SACFSL04 (smoker) 143.693% SACMNL04 & 171.465% SACFNL04 (non-smoker)
Former PLAL and RL (bancassurance) with accelerated critical illness benefit sold before 1 <sup>st</sup> April 2010	115.92% ACMSL04 & 115.92% ACFSL04 (smoker) 115.92% ACMNL04 & 115.92% ACFNL04 (non-smoker)	100.223% ACMSL04 & 119.543% ACFSL04 (smoker) 106.260% ACMNL04 & 126.788% ACFNL04 (non-smoker)
RL (bancassurance) with accelerated critical illness benefit sold after 1 <sup>st</sup> April 2010	117.60084% ACMSL04 & 118.29636% ACFSL04 (smoker) 117.60084% ACMNL04 & 118.29636% ACFNL04 (non-smoker)	101.676% ACMSL04 & 121.993% ACFSL04 (smoker) 107.801% ACMNL04 & 129.387% ACFNL04 (non-smoker)
Former PLAL unit-linked business (including N&P branded business)	Modified reinsurer's risk rates See note [10]	Modified reinsurer's risk rates See note [11]
Former SMA, Former SPL, Scottish Provident branded Self Assurance with critical illness	Modified AC04 (ACIC) / Modified SAC04 (SACIC) See note [12]	Modified AC04 (ACIC) / Modified SAC04 (SACIC) See note [13]
Former SMA, Former SPL, Scottish Provident branded Self Assurance PHI	Modified IPM 1991-1998 See note [14]	Modified IPM 1991-1998 See note [15]
Former SMA and Scottish Provident branded Pegasus with stand-alone critical illness benefit	98.3135% SACMSL04 & 132.664% SACFSL04 (smoker) 164.6455% SACMNL04 & 153.985% SACFNL04 (non-smoker)	151.616% SACMSL04 & 135.033% SACFSL04 (smoker) 171.7525% SACMNL04 & 152.8005% SACFNL04 (non-smoker)
Former SMA and Scottish Provident branded Pegasus with accelerated critical illness benefit	161.092% ACMSL04 & 126.7415% ACFSL04 (smoker) 123.188% ACMNL04 & 146.878% ACFNL04 (non-smoker)	108.974% ACMSL04 & 130.295% ACFSL04 (smoker) 124.3725% ACMNL04 & 148.0625% ACFNL04 (non-smoker)
Former RLA critical illness cover	Modified reinsurer's risk rates. See note [16]	Modified reinsurer's risk rates. See note [16]

# VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

	2015	2014
Former RLCIS – waiver of premium	Inception: 300% CMIR12 (males deferred 6 months) 500% CMIR12 (females deferred 6 months) Claim continuance and recovery: 65% CMIR12	Inception: 300% CMIR12 (males deferred 6 months) 500% CMIR12 (females deferred 6 months) Claim continuance and recovery: 65% CMIR12
Former RLCIS – permanent health insurance	Inception: 250% CMIR12 (males deferred 3 months) 300% CMIR12 (females deferred 3 months) 600% CMIR12 (males deferred 6 or 12 months) 1000% CMIR12 (females deferred 6 or 12 months)  Claim continuance and recovery: 65% CMIR12	Inception: 250% CMIR12 (males deferred 3 months) 300% CMIR12 (females deferred 3 months) 600% CMIR12 (males deferred 6 or 12 months) 1000% CMIR12 (females deferred 6 or 12 months)  Claim continuance and recovery: 65% CMIR12
Former RLCIS – income protection insurance	Inception: Modified CMIR7 Claim continuance and recovery: Modified CMIR12	Inception: Modified CMIR7 Claim continuance and recovery: Modified CMIR12
Former RLCIS – accelerated and stand-alone critical illness	139.38% CIBT02M & 139.38% CIBT02F (smoker) 69.69% CIBT02M & 69.69% CIBT02F (non-smoker)	139.38% CIBT02M & 139.38% CIBT02F (smoker) 69.69% CIBT02M & 69.69% CIBT02F (non-smoker)

## Note [1]: Bright Grey Protection Plan Life or Critical Illness Cover 2015

For calculating the valuation reserves for this cover a loading of 16.15% (reviewable business) or 20.75% (guaranteed business) above modified AC04 risk rates has been used. The risk rates apply to the 'own occupation' definition of total permanent disability. Where a 'working tasks' definition of total permanent disability is used, the risk rates are reduced. Sample risk rates before the 16.15% or 20.75% loading is applied are as follows:

### Contracts sold before 23 May 2011

Age	Male non-smoker	Male smoker	Female non-smoker	Female smoker
25	0.000796	0.000724	0.000609	0.000635
35	0.001142	0.001539	0.001501	0.001492
45	0.002635	0.004747	0.003254	0.004700
55	0.008185	0.014200	0.006816	0.010426

Due to amendments to critical illness definitions the following further loadings apply cumulatively to contracts sold from the dates given.

	Male	Female
23/05/2011	1.55%	1.70%
28/05/2012	0.55%	0.55%
16/09/2013	0.10%	0.10%
29/09/2014	4.40%	5.18%
14/09/2015	0.75%	0.75%

An allowance for a future deterioration of 0.46% (males) or 0.96% (females) per annum was also made for Accelerated Critical Illness Cover morbidity.

## Note [2]: Bright Grey Protection Plan Life or Critical Illness Cover 2014

A description of the 2014 assumption can be found on page 329 of the 2014 Annual PRA Insurance Returns.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### *Note [3]: Bright Grey Protection Plan Critical Illness Cover 2015*

For calculating the valuation reserves for this cover a loading of 16.15% above modified SAC04 risk rates has been used. The risk rates apply to the 'own occupation' definition of total permanent disability. Where a 'working tasks' definition of total permanent disability is used or where total permanent disability benefit is not included, the risk rates are reduced. Sample risk rates before the 16.15% loading is applied are as follows:

Contracts sold before 23 May 2011

Age	Male non-smoker	Male smoker	Female non-smoker	Female smoker
25	0.000574	0.000400	0.000465	0.000514
35	0.000955	0.001265	0.001207	0.001170
45	0.002359	0.004879	0.002559	0.003598
55	0.007902	0.012603	0.005417	0.007962

Due to amendments to critical illness definitions the following further loadings apply cumulatively to contracts sold from the dates given.

	Male	Female
23/05/2011	2.25%	2.40%
28/05/2012	0.55%	0.55%
16/09/2013	0.10%	0.10%
29/09/2014	4.37%	5.14%
14/09/2015	0.75%	0.75%

An allowance has been made for applications received under which instant cover is provided.

An allowance for a future deterioration of 0.46% (males) or 0.96% (females) per annum was also made for Stand-Alone Critical Illness Cover morbidity.

### *Note [4]: Bright Grey Protection Plan Critical Illness Cover 2014*

A description of the 2014 assumption can be found on page 330 of the 2014 Annual PRA Insurance Returns.

### *Note [5]: Bright Grey Protection Plan Income Cover for Sickness 2015:*

Inception rates are based on IPM 1991-98 rates adjusted to take account of expected office experience. Sample inception rates for a class 1 occupation with a deferred period of 13 weeks and an own occupation definition of incapacity, prior to the 20.75% valuation loading are as follows:

Age	Male non-smoker	Male smoker	Female non-smoker	Female smoker
25	0.000678	0.001081	0.001017	0.001632
35	0.000448	0.000713	0.000672	0.001077
45	0.001046	0.001667	0.001569	0.002516
55	0.002992	0.004769	0.004488	0.007200

Recovery rates are based on CMIR 12 recovery rates adjusted for expected office experience. Sample recovery rates for deferred periods of 13 weeks are as follows:

Age	Male		Female	
	Sickness duration 2 years	Sickness duration 5 years	Sickness duration 2 years	Sickness duration 5 years
25	0.024862	0.063432	0.019125	0.048794
35	0.018860	0.046941	0.014508	0.036108
45	0.012806	0.030033	0.009851	0.023102
55	0.006699	0.012697	0.005153	0.009767

### *Note [6]: Bright Grey Protection Plan Income Cover for Sickness 2014*

A description of the 2014 assumption can be found on page 330 of the 2014 Annual PRA Insurance Returns.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

*Note [7]: Former UFLA Protection Plan – critical illness benefit 2014 and 2015*

For calculating the valuation reserves for this benefit, risk rates supplied by a leading reinsurer have been used. The risk rates are ultimate and the benefit ceases at age 65. Sample ultimate risk rates are as follows:

Age	Male non-smoker	Male smoker	Female non-smoker	Female smoker
25	0.000271	0.000469	0.000287	0.000497
35	0.000623	0.001079	0.000763	0.001321
45	0.002353	0.004075	0.001911	0.003309
55	0.006593	0.011417	0.004772	0.008264

No allowance has been made for deterioration of future experience.

*Note [8]: Former UFLA Protection Plan – income replacement benefit 2014 and 2015*

For calculating the valuation reserves for this benefit, risk rates supplied by a leading reinsurer have been used. The risk rates are ultimate. Sample ultimate risk rates for a level benefit ceasing at age 65, deferred period 13 weeks, class 1 occupation are as follows:

Age	Male non-smoker	Male smoker	Female non-smoker	Female smoker
25	0.003105	0.004140	0.004658	0.006210
35	0.003708	0.004944	0.005562	0.007416
45	0.009090	0.012120	0.013635	0.018180
55	0.024489	0.032652	0.036734	0.048978

Additional loadings apply for occupation classes 2, 3 or 4.

No allowance has been made for deterioration of future experience.

*Note [9]: RL (intermediary) and Former SL Profitbuilder – critical illness benefit 2014 and 2015*

Living Cover (Critical Illness) Benefit under Profitbuilder contracts has been valued using the risk rates supplied by a leading reinsurer. Sample ultimate risk rates for accelerated comprehensive critical illness including total and permanent disability (own occupation) are as follows:

Age	Male non-smoker	Male smoker	Female non-smoker	Female smoker
25	0.000876	0.001512	0.000684	0.001164
35	0.001092	0.001908	0.001440	0.002568
45	0.003024	0.005280	0.003576	0.006288
55	0.009612	0.016728	0.007944	0.013692

*Note [10]: Former PLAL Unit-Linked Business (including N&P branded business) 2015*

For Former PLAL Unit-Linked Endowment Mortgages and Flexible Lifetime Plan together with N&P branded policies, the rates of morbidity are based on the reinsurer's rates.

Sample valuation rates are:

Age	Male non-smoker	Male smoker	Female non-smoker	Female smoker
25	0.000425	0.000606	0.000490	0.000715
35	0.000837	0.001290	0.001047	0.001641
45	0.003410	0.005409	0.002333	0.003605
55	0.006718	0.010158	0.005609	0.008301

*Note [11]: Former PLAL Unit-Linked Business (including N&P branded business) 2014*

A description of the 2014 assumption can be found on page 331 of the 2014 Annual PRA Insurance Returns.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

*Note [12]: Former SMA, Former SPL and Scottish Provident branded Self Assurance with critical illness 2015*

For calculating the valuation reserves for this cover a loading of 16.15% (reviewable business) or 20.75% (guaranteed business) above the modified AC04 risk rates has been used. The risk rates apply to the 'own occupation' definition of total permanent disability. Where a 'working tasks' definition of total permanent disability is used or where total permanent disability benefit is not included, the risk rates are reduced. Sample risk rates before the 16.15% or 20.75% loading is applied are as follows:

Mortality & Critical Illness (with Total Permanent Disability) – Policies Entered Pre 01/01/2005

Age	Male non-smoker	Male smoker	Female non-smoker	Female smoker
25	0.000663	0.000639	0.000586	0.000648
35	0.000952	0.001359	0.001443	0.001523
45	0.002196	0.004191	0.003129	0.004798
55	0.006821	0.012538	0.006554	0.010643

Mortality & Critical Illness (with Total Permanent Disability) – Policies Entered Post 01/01/2005

Age	Male non-smoker	Male smoker	Female non-smoker	Female smoker
25	0.000733	0.000709	0.000580	0.000642
35	0.001053	0.001506	0.001429	0.001507
45	0.002428	0.004646	0.003098	0.004749
55	0.007543	0.013897	0.006488	0.010535

Due to amendments to critical illness definitions the following further loadings apply cumulatively to contracts sold from the dates given.

	Male	Female
23/05/2011	1.60%	1.90%
28/05/2012	0.55%	0.55%
16/09/2013	1.60%	1.60%

An allowance for a future deterioration of 0.46% (males) and 0.96% (females) per annum was made for Accelerated Critical Illness Cover morbidity.

### Critical Illness

For calculating the valuation reserves for this cover a loading of 16.15% above modified SAC04 risk rates has been used. The risk rates apply to the 'own occupation' definition of total permanent disability. Where a 'working tasks' definition of total permanent disability is used or where total permanent disability benefit is not included, the risk rates are reduced. Sample risk rates before the 16.15% loading is applied are as follows:

Age	Male non-smoker	Male smoker	Female non-smoker	Female smoker
25	0.000574	0.000408	0.000589	0.000663
35	0.000955	0.001289	0.001529	0.001509
45	0.002359	0.004971	0.003243	0.004638
55	0.007902	0.012840	0.006865	0.010264

Due to amendments to critical illness definitions the following further loadings apply cumulatively to contracts sold from the dates given.

	Male	Female
23/05/2011	2.25%	2.70%
28/05/2012	0.55%	0.55%
16/09/2013	1.60%	1.60%

An allowance for a future deterioration of 0.46% (males) or 0.96% (females) per annum was also made for Critical Illness Cover morbidity.

*Note [13]: Former SMA, Former SPL and Scottish Provident branded Self Assurance with critical illness 2014*

A description of the 2014 assumption can be found on page 332 of the 2014 Annual PRA Insurance Returns.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

*Note [14]: Former SMA, Former SPL and Scottish Provident branded Self Assurance PHI 2015*

Inception rates are based on IPM 1991-98 rates adjusted to take account of expected office experience. Sample inception rates for a class 1 occupation with a deferred period of 13 weeks and an own occupation definition of incapacity, prior to the 20.75% valuation loading are as follows:

Age	Male non-smoker	Male smoker	Female non-smoker	Female smoker
25	0.000784	0.001250	0.001187	0.001886
35	0.000518	0.000825	0.000783	0.001245
45	0.001209	0.001928	0.001830	0.002909
55	0.003460	0.005517	0.005237	0.008322

Recovery rates are based on CMIR 12 recovery rates adjusted for expected office experience. Sample recovery rates for deferred periods of 13 weeks are as follows:

Age	Male		Female	
	Sickness duration 2 years	Sickness duration 5 years	Sickness duration 2 years	Sickness duration 5 years
25	0.024862	0.063432	0.019125	0.048794
35	0.018860	0.046941	0.014508	0.036108
45	0.012806	0.030033	0.009851	0.023102
55	0.006699	0.012697	0.005153	0.009767

*Note [15]: Former SMA, Former SPL and Scottish Provident branded Self Assurance PHI 2014*

A description of the 2014 assumption can be found on page 333 of the 2014 Annual PRA Insurance Returns.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

*Note [16]: Former RLA Business 2014 & 2015*

For Progress business, sample stand-alone critical illness rates are provided below:

Age	Male non-smoker	Male smoker	Female non-smoker	Female smoker
25	0.000378	0.000454	0.000479	0.000566
35	0.000755	0.001174	0.001226	0.001337
45	0.002366	0.005257	0.002378	0.003513
55	0.006694	0.014131	0.005296	0.009027

For Caledonian business, critical illness rates are used split by sex, smoker status and term. Sample rates are provided below:

Male non-smoker	Policy term				
Age	5	10	15	20	25
25	0.000848	0.000879	0.000909	0.000940	0.000971
35	0.001226	0.001270	0.001314	0.001359	0.001403
45	0.002860	0.002963	0.003067	0.003170	0.003273
55	0.007530	0.007802	0.008074	0.008346	0.008619

Male smoker	Policy term				
Age	5	10	15	20	25
25	0.001374	0.001424	0.001473	0.001523	0.001573
35	0.001957	0.002028	0.002099	0.002169	0.002240
45	0.005628	0.005831	0.006034	0.006238	0.006441
55	0.016230	0.016816	0.017403	0.017990	0.018576

Female non-smoker	Policy term				
Age	5	10	15	20	25
25	0.000630	0.000653	0.000676	0.000698	0.000721
35	0.001346	0.001394	0.001443	0.001491	0.001540
45	0.003259	0.003377	0.003495	0.003613	0.003731
55	0.006968	0.007220	0.007472	0.007724	0.007976

Female smoker	Policy term				
Age	5	10	15	20	25
25	0.001015	0.001051	0.001088	0.001125	0.001161
35	0.002346	0.002431	0.002516	0.002601	0.002686
45	0.005863	0.006075	0.006286	0.006498	0.006710
55	0.013813	0.014312	0.014811	0.015310	0.015810

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### 4. (6)

#### Royal London IB & OB Subfund

Expense assumptions are provided in the following table:

	Current year assumptions			Prior year assumptions		
	Per Policy (per annum)	% Office Premium	Investment	Per Policy (per annum)	% Office Premium	Investment
CWP savings endowment (120)	Note 1	5.4%	0.102%	Note 2	5.4%	0.097%
CWP target cash endowment (125)	Note 1	5.4%	0.102%	Note 2	5.4%	0.097%
CWP pensions (155/165)	Note 3	4.32%	0.081%	Note 4	4.32%	0.083%
Term assurance (325/330)	£14.62	0%	0.065%	£13.68	0%	0.065%
Critical illness (340/345/350/355)	£21.24	0%	0.065%	£19.13	0%	0.065%
Income protection (360/365)	£21.24	0%	0.065%	£19.13	0%	0.065%
Annuity (400)	£28.91	n/a	0.065%	£32.54	n/a	0.065%
UWP bond (500)	£8.82	n/a	n/a	Note 2	n/a	0.097%
UWP regular premium pension (525/545)	Note 1	5.4%	0.102%	Note 2	5.4%	0.097%
UWP single premium pension (525/545)	Note 1	n/a	0.102%	Note 2	n/a	0.097%
UWP group regular premium pension (535)	£34.77	0%	0.081%-0.102%	£37.63	0%	0.081%-0.097%
UWP group single premium pension (535)	£32.35	n/a	0.081%-0.102%	£35.94	n/a	0.081%-0.097%
UL bond (700)	Note 5	n/a	0.122%	Note 6	n/a	0.122%
UL savings endowment (715)	Note 7	0%	0.122%	Note 8	0%	0.122%
UL target cash endowment (720)	£50.88	0%	0.076%	£50.77	0%	0.065%
UL regular premium pensions (725)	£34.77	0%	0.076%	£37.63	0%	0.065%
UL single premium pensions (725)	£32.35	n/a	0.076%	£35.94	n/a	0.065%
UL group regular premium pension (735)	£34.77	0%	0.076%	£37.63	0%	0.065%
UL group single premium pension (735)	£32.35	n/a	0.076%	£35.94	n/a	0.065%

Notes:

- 1) Per policy expenses for CWP savings endowment, CWP target cash endowment, UWP bond, UWP regular premium pension and UWP single premium pension relate to RL business and are shown in the following table:

2016	2017	2018	2019	2020 +
14.97	16.51	18.45	20.23	21.94

All expenses are given in 2016 terms and are assumed to inflate for future years.

- 2) A description of the 2014 assumption can be found on page 335 of the 2014 Annual PRA Insurance Returns.

- 3) Per policy expenses for CWP pensions relate to Former RA business and are shown in the following table:

2016	2017-2019	2020 +
9.90	12.07	12.80

All expenses are given in 2016 terms and are assumed to inflate for future years.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

4) A description of the 2014 assumption can be found on page 335 of the 2014 Annual PRA Insurance Returns.

5) Per policy expenses for the UL bond relate to Former PLAL business and are shown in the following table:

2016	2017	2018	2019	2020 +
15.76	15.61	15.46	15.11	14.76

All expenses are given in 2016 terms and are assumed to inflate for future years.

6) A description of the 2014 assumption can be found on page 336 of the 2014 Annual PRA Insurance Returns.

7) Per policy expenses for the UWP and UL savings endowment relate to Former PLAL business. UWP policies have benefits in the PLAL With-Profits Fund but expenses on these policies are incurred by the RL IB & OB Subfund. UL policies have benefits and expenses in the RL IB & OB Subfund. Expenses are shown in the following table:

2016	2017	2018	2019	2020 +
26.13	25.89	25.64	25.04	24.42

All expenses are given in 2016 terms and are assumed to inflate for future years.

8) A description of the 2014 assumption can be found on page 336 of the 2014 Annual PRA Insurance returns.

9) For unit-linked business the investment expenses shown are for the unit fund. In addition, investment expenses of 0.065% per annum [2014: 0.065%] were assumed on sterling reserves.

10) References to 0.081% [2014: 0.081%] relate to policies with benefits in the Scottish Life Fund with expenses incurred by the Royal London IB & OB Subfund.

### PLAL With-Profits Fund

All expenses relating to policies and benefits allocated to this subfund are incurred by the Royal London IB & OB Subfund. No separate disclosure is necessary.

### Royal Liver Assurance Fund

Expense assumptions are provided in the following table:

	Current year assumptions			Prior year assumptions		
	Per Policy (per annum)	% Office Premium	Investment	Per Policy (per annum)	% Office Premium	Investment
CWP savings endowment (120)	£48.30	0%	0.26%	£47.54	0%	0.26%
CWP target cash endowment (125)	£48.30	0%	0.26%	£47.54	0%	0.26%
CWP Pensions (165)	£42.63	0%	0.26%	£44.47	0%	0.26%
Term assurance (325/330)	£42.63	0%	0.26%	£44.47	0%	0.26%
Critical illness (340/345/355)	£42.63	0%	0.26%	£44.47	0%	0.26%
Annuity (400)	£31.08	n/a	0.26%	£30.59	n/a	0.26%
UWP bond (500)	£42.63	n/a	0.26%	£44.47	n/a	0.26%
UWP regular and single premium pension (525)	£48.30	0%	0.26%	£47.54	0%	0.26%
UL bond (700)	£31.08	n/a	0.26%	£30.59	n/a	0.26%
UL savings endowment (715)	£31.08	0%	0.26%	£30.59	0%	0.26%
UL regular and single premium pension (725)	£31.08	0%	0.26%	£30.59	0%	0.26%

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Royal London (CIS) Subfund

Expense assumptions are provided in the following table:

	Current year assumptions		Prior year assumptions	
	Per Policy (premium paying) (per annum)	Per Policy (paid up/single premium) (per annum)	Per Policy (premium paying) (per annum)	Per Policy (paid up/single premium) (per annum)
CWP savings endowment (120) with no protection element	£21.43	£18.35	£20.08	£17.22
CWP savings endowment (120) with protection element	£20.06	£17.53	£18.79	£16.46
CWP target cash endowment (125)	£21.43	£18.35	£20.08	£17.22
CWP Pensions (155/165)	£18.26	£15.61	£17.11	£14.53
Term assurance (325/330)	£20.06	£17.53	£18.79	£16.46
Critical illness (345/355)	£20.06	£17.53	£18.79	£16.46
Annuity (400)	n/a	£17.93	n/a	£16.80
UWP bond (500)	£20.06	£17.53	£18.79	£16.46
UWP regular and single premium pension (525)	£18.26	£15.61	£17.11	£14.53

For policies valued using a net premium approach, future expense inflation is more than adequately covered by margins arising from the interest rate assumptions made in the valuation, including the likely future increases in income from index-linked stocks, equities and property.

No zillmer adjustments have been applied.

### Scottish Life Fund

Expense assumptions are provided in the following table:

	Current year assumptions			Prior year assumptions		
	Per Policy (per annum)	% Office Premium	Investment	Per Policy (per annum)	% Office Premium	Investment
CWP savings endowment (120)	£35.56	0%	0.081%	£40.02	0%	0.081%
CWP target cash endowment (125)	£35.56	0%	0.081%	£40.02	0%	0.081%
CWP pensions (155/165)	£42.91	0%	0.081%	£37.93	0%	0.081%
UWP regular premium pension (525/545)	£42.91	0%	0.081%	£37.93	0%	0.081%
UWP single premium pension (525/545)	£38.10	0%	0.081%	£34.89	0%	0.081%

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### United Friendly OB Subfund

Expense assumptions are provided in the following table:

	Current year assumptions			Prior year assumptions		
	Per Policy (per annum)	% Office Premium	Investment	Per Policy (per annum)	% Office Premium	Investment
CWP savings endowment (120)	Note 1	4.32%	0.081%	Note 2	4.32%	0.083%
CWP target cash endowment (125)	Note 1	4.32%	0.081%	Note 2	4.32%	0.083%
CWP pensions (155)	0.00	0.0%	0.189%	0.00	0.0%	0.191%

Notes:

- 1) Per policy expenses are shown in the following table:

2016	2017-2019	2020+
£9.90	£15.61	£20.82

All expenses are given in 2016 terms and are assumed to inflate for future years.

- 2) A description of the 2014 assumption can be found on page 338 of the 2014 Annual PRA Insurance Returns.

All expenses across all subfunds are shown gross. In calculating expense reserves UK life business expenses were netted down for tax relief at 20% except for the Royal Liver Assurance Fund where UK life business is treated as gross due to the tax position of the fund.

#### 4. (7)

The following unit growth assumptions were used to calculate non unit liabilities for unit-linked business:

	2015	2014
Life assurance business	5.30%	5.30%
ROI business	4.00%	3.75%
Pension, overseas (non-ROI) and PHI business	5.50%	5.50%
Former RLCIS business	5.50%	5.50%

The following inflation assumptions were used in the valuation of linked and non-linked business:

	2015	2014
Inflation Rate for Future Expenses (ROI)	2.50%	2.25%
Inflation Rate for Future Expenses (non-ROI)	4.00%	4.00%
Inflation Rate for Future Expenses (Former RLCIS business)	3.60%	3.60%
Inflation Rate for Future Expenses (RL Funeral Plan)	4.00%	n/a
Inflation Rate for Policy Charges on Former PLAL, Former SMA, RL(bancassurance) and Scottish Provident branded linked business	3.00%	3.00%
Inflation Rate for Policy Charges on other linked Business	4.00% (see note)	4.00% (see note)

Note: An inflation rate is applied to policy charges only where there is an established practice of annual increases. For other business it is assumed that policy charges do not increase.

The growth rate is before the deduction of regular management charges.

#### 4. (8)

As a realistic basis firm no specific reserve has been made for future bonus within the valuation of conventional or unitised with-profits business except for certain contracts in the United Friendly OB Subfund as described in paragraph 4. (1).

Former RLCIS Business:

Under other with-profits contracts, where the number of years' (including fractions) premiums which have fallen due as at the valuation date exceeds the number of years' annual bonus attaching to the policy (including any granted following the current valuation), a reserve is held at the appropriate current rate for the proportionate part of a year's annual bonus corresponding to this excess.

Under with-profits contracts with periodical endowments, provision is made for part of the bonus which will become payable at the periodical endowment date if current bonus rates are maintained.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### 4. (9)

#### Royal London IB & OB Subfund

Average lapse, surrender and PUP rates are provided in the following table. All rates apply to ordinary business unless indicated otherwise.

Product		Average lapse / surrender / paid-up rates for the policy years			
		1-5	6-10	11-15	16-20
Level term	Lapse	9.84	7.41	4.99	5.01
Decreasing term	Lapse	9.11	7.93	6.75	6.98
Accelerated critical illness	Lapse	12.34	9.62	6.47	6.47
Income protection	Lapse	10.15	8.91	5.60	5.60
CWP savings endowment	surrender	n/a	n/a	1.40	1.30
CWP savings endowment (IB)	surrender	n/a	n/a	n/a	0.80
CWP target cash endowment	surrender	n/a	n/a	0.77	1.20
UL savings endowment	surrender	n/a	n/a	4.00	3.28
UL target cash endowment	surrender	n/a	n/a	4.00	3.92
UWP bond	surrender	n/a	n/a	5.00	5.00
UWP bond	automatic withdrawals	n/a	n/a	100% current	100% current
UL bond	surrender	4.48	5.60	4.72	3.68
UL bond	automatic withdrawals	2.50	2.50	2.50	2.50
CWP pension regular premium	PUP	n/a	n/a	n/a	n/a
CWP pension regular premium	surrender	n/a	n/a	n/a	n/a
CWP pension single premium	surrender	0.80	0.80	0.80	0.80
UWP indiv pension regular premium	PUP	0.00	0.00	0.00	0.00
UWP indiv pension regular premium	surrender	0.00	0.00	0.00	0.00
UWP indiv pension single premium	surrender	0.00	0.00	0.00	0.00
UL indiv pension regular premium	PUP	See Note 2	See Note 2	See Note 2	See Note 2
UL indiv pension regular premium	surrender	2.33	3.22	2.92	2.87
UL group pension regular premium	PUP	See Note 2	See Note 2	See Note 2	See Note 2
UL group pension regular premium	surrender	2.18	2.18	2.18	2.18
UL indiv pension single premium	surrender	3.24	3.74	3.62	3.61

The following notes apply:

- 1) Allowance is made for lapses in the valuation of Bright Grey, Former PLAL, RL (bancassurance), Former SMA, Former SPL, Caledonian and Scottish Provident branded protection business only. The lapse rates shown above are average best estimate lapse rates. Within the valuation of Bright Grey business, Scottish Provident Self Assurance business and Caledonian business, best estimate lapse rates are reduced by 20% when the mathematical reserve net of reinsurance is positive and increased by 20% when the net reserve is negative. Within the valuation of other protection business, reserves are calculated using best estimate lapse rates and with best estimate lapse rates increased and reduced by 20%. The reserve for each policy is set at the highest of the three reserves calculated.
- 2) Paragraph 4. (1) (iii) describes the method used to calculate sterling reserves for regular premium business. No additional allowance is made for conversions to paid up status after the valuation date.

#### PLAL With-Profits Fund

Average surrender and withdrawal rates are provided in the following table.

Product		Average surrender rates for the policy years			
		1-5	6-10	11-15	16-20
UWP bond	surrender	n/a	n/a	7.50	7.50
UWP bond	automatic withdrawals	n/a	n/a	5.00	5.00

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Refuge Assurance IB Subfund

Average surrender rates are provided in the following table.

Product		Average surrender rates for the policy years			
		1-5	6-10	11-15	16-20
CWP savings endowment (IB)	surrender	n/a	n/a	n/a	0.80

### Royal Liver Assurance Fund

Average lapse rates are provided in the following table.

UK products		Average lapse rates for the policy years			
		1-5	6-10	11-15	16-20
Level term	Lapse	n/a	3.70%	1.50%	1.50%
Decreasing term	Lapse	n/a	3.70%	1.50%	1.50%
Accelerated critical illness	Lapse	n/a	3.70%	1.50%	1.50%

ROI Products		Average lapse rates for the policy years			
		1-5	6-10	11-15	16-20
Level term	Lapse	7.80%	5.00%	3.40%	3.60%
Decreasing term	Lapse	8.10%	5.60%	7.30%	10.30%
Accelerated critical illness	Lapse	7.80%	5.00%	3.40%	3.60%

The following notes apply:

- 1) Within the valuation of Royal Liver business, best estimate lapse rates are reduced by 20% when the mathematical reserve net of reinsurance is positive and increased by 20% when the net reserve is negative.

### Royal London (CIS) Subfund

Average lapse rates are provided in the following tables.

For positive reserves:

Product		Average lapse rates for the policy years			
		1-5	6-10	11-15	16-20
Level term	Lapse	9.68%	6.00%	4.80%	4.80%
Decreasing term	Lapse	9.68%	6.00%	4.80%	4.80%
Accelerated critical illness	Lapse	9.68%	6.00%	4.80%	4.80%

For negative reserves:

Product		Average lapse rates for the policy years			
		1-5	6-10	11-15	16-20
Level term	Lapse	14.52%	9.00%	7.20%	7.20%
Decreasing term	Lapse	14.52%	9.00%	7.20%	7.20%
Accelerated critical illness	Lapse	14.52%	9.00%	7.20%	7.20%

The lapse rate to be applied is determined on a per policy basis. The reserve for each policy is calculated using the lapse rates shown in the positive reserve table. If the calculated net reserve is positive, this is the liability held. If the value is negative, the reserve is recalculated using the lapse rate shown in the negative reserve table.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Scottish Life Fund

Average lapse, surrender and PUP rates are provided in the following table.

Product		Average lapse / surrender / paid-up rates for the policy years			
		1-5	6-10	11-15	16-20
Level term	Lapse	n/a	n/a	n/a	0.00
Decreasing term	Lapse	n/a	n/a	n/a	0.00
CWP savings endowment	surrender	n/a	n/a	n/a	0.00
CWP target cash endowment	surrender	n/a	n/a	n/a	0.00
UWP savings endowment	surrender	n/a	n/a	4.00	3.92
UWP target cash endowment	surrender	n/a	n/a	4.00	3.92
CWP pension regular premium	PUP	n/a	n/a	0.00	0.00
CWP pension regular premium	surrender	n/a	n/a	2.11	2.11
CWP pension single premium	surrender	n/a	n/a	2.54	2.38
UWP indiv pension regular premium	PUP	n/a	n/a	0.00	0.00
UWP indiv pension regular premium	surrender	n/a	n/a	2.61	2.35
UWP indiv pension single premium	surrender	n/a	n/a	2.63	2.53
UL indiv pension regular premium	PUP	n/a	n/a	0.00	0.00
UL group pension regular premium	PUP	n/a	n/a	0.00	0.00

### United Friendly IB Subfund

Average surrender rates are provided in the following table.

Product		Average surrender rates for the policy years			
		1-5	6-10	11-15	16-20
CWP savings endowment (IB)	surrender	n/a	n/a	n/a	0.80

### United Friendly OB Subfund

Average surrender and PUP rates are provided in the following table.

Product		Average surrender / paid-up rates for the policy years			
		1-5	6-10	11-15	16-20
CWP savings endowment	surrender	n/a	n/a	n/a	0.93
CWP target cash endowment	surrender	n/a	n/a	n/a	0.93
CWP pension regular premium	PUP	n/a	n/a	n/a	0.00
CWP pension regular premium	surrender	n/a	n/a	n/a	0.67
CWP pension single premium	surrender	0.40	0.40	0.40	0.40

#### 4. (10)

There are no other material basis assumptions.

#### 4. (11)

### Royal Liver Assurance Fund

The RLA Fund holds currency forwards in order to hedge the currency risk associated with investing in overseas assets. The RLA Fund holds equity put options in order to hedge against market risk. No explicit allowance has been made for this when valuing the liabilities as these derivatives are not assumed to back liabilities.

### Royal London (CIS) Subfund

The Royal London (CIS) Subfund holds derivative contracts to match its liability under guaranteed annuity options. Equity call and put options and interest rate swaps are also held to mitigate the impact of equity and interest rate risk on solvency. No account has been taken of these contracts, or of any other derivative contracts or contracts or assets having the effect of derivative contracts, in the determination of the amount of the long-term liabilities, and no provision for adverse deviations is required.

The Royal London (CIS) Subfund held short term futures contracts at the valuation date. For the purposes of calculating risk adjusted yield, these derivatives have been combined with the underlying assets, resulting in an equivalent cash position.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Other Funds

No allowance is made for derivatives in the determination of other long-term fund liabilities except for the valuation of a small number of other derivative based contracts where generally derivatives are held within unit-linked funds. Any remaining derivatives held in each other fund are held for efficient portfolio management or to reduce investment risk.

### 4. (12)

Not applicable.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Options and guarantees

#### 5. (1)

#### Royal London IB & OB Subfund

- (a) The mathematical reserves established for RL deferred retirement annuity personal pension policies incorporate an allowance for the guaranteed roll up and pension conversion rates contained in these policies. The addition to the reserves was determined by capitalising any shortfall in the projected pension calculated using the valuation basis, including future contributions where appropriate, compared to the guaranteed amount, discounted back to the valuation date. The take-up rate assumption was 63% for policies vesting in 2016-2025 and then rising linearly by 3.2% per annum to a maximum of 95% for policies vesting in 2035 and later years.

The valuation interest rate used to value these guarantees at retirement was determined using a stochastic method and varied by retirement year, age, sex and guarantee type. The Barrie & Hibbert Economic Scenario Generator was calibrated to the forward gilt curve as described in the realistic abstract (Appendix 9.4A) and 1000 market consistent scenarios were run to produce 25 year par yield annuities for each future calendar year. A spreadsheet method was used to calculate the cost of providing the guarantee per unit of benefit for each scenario assuming payments start in the retirement year, valuation mortality and expenses. The average cost over the simulations was calculated for each combination of retirement year, age, sex and guarantee type. The implied valuation interest rate was determined using a goal seeking approach and multiplied by 97.5%.

- (b) (i) RL deferred retirement annuity personal pension policies.  
(ii) £22m  
(iii) Policies vest in the period 2016 – 2043.  
(iv) £10m  
(v) 10.02%  
(vi) Increments can be made to the policy. However, the guarantee applies to contracts issued and increments effected prior to 25 September 1986 only.  
(vii) Monthly in advance, single life, 5 year guarantee, level.  
(viii) 60 – 75.
- (a) Former RA Pension Business Pure Endowments issued or increments effected prior to 31 December 1994 incorporate guaranteed pension rates. The addition to the reserves for these guaranteed pension rates was determined by calculating the additional cost of converting to pension annuities the value of the sum assured plus attaching annual bonuses on the valuation basis over the guaranteed pension rates multiplied by a take-up rate assumption. The take-up rate assumption was 63% for policies vesting in 2016-2025 and then rising linearly by 3.2% per annum to a maximum of 95% for policies vesting in 2035 and later years.

The valuation interest rates were determined using the approach described above.

- (b) (i) Former RA Pension Business Pure Endowment - tables WPCO (contracted out), WPPP (personal pension), WPAVC (FSAVC).  
(ii) Contracted out version £9m  
Other versions £98m  
These reserves include amounts in respect of increments which are not entitled to the guarantee.  
(iii) Policies vest in the period 2016 – 2042.  
(iv) Contracted out version £5m  
Other versions £47m  
(v) Contracted out version 5.64%  
Other versions 8.61%  
(vi) Increments can be made to the policy. However, the guarantee applies to contracts issued and increments effected prior to 31 December 1994 only.  
(vii) Contracted out version monthly in advance, joint life with 50% spouse's benefit, no guarantee, increases at 3% per annum.  
Other versions monthly in advance, single life, level, guaranteed 5 years, guarantee does not apply if increasing annuity or spouse's benefit required at vesting.  
(viii) Contracted out version males 65 - 75, females 60 – 75.  
Other versions 55 - 75.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Royal Liver Assurance Fund

- a) Reserves for guaranteed annuity options at retirement have been determined by comparing the current guaranteed sum assured plus attaching reversionary bonus to the capital value of the guaranteed annuity. A take-up rate of 100% was assumed for guaranteed annuity options that were in the money.
- (b) (i) UWP pension ROI with GAO  
(ii) £26m  
(iii) Policies vest in the period 2016 – 2045.  
(iv) £30m  
(v) 9%  
(vi) Increments can be made to the policy.  
(vii) The annuity is monthly in advance and guaranteed for 5 years.  
(viii) 65 years

- (a) Similarly, for guaranteed cash options (applicable for former Caledonian business), the capital value of the deferred annuity has been compared to the capital value of the guaranteed cash option. The capital value of the deferred annuity has been determined using the following basis:

Mortality in payment assumption: 100% PPMV00 CMI(2014) 2% p.a. / 87% PPFV00 CMI(2014) 2% p.a. where these denote a percentage of base table mortality (at 1/1/2000) projected in line with the CMI model mortality improvements and a percentage per annum long-term improvement rate.

Mortality in deferment is assumed to be Nil

The following information is in respect of former Caledonian business.

- (b) (i) Caledonian deferred pensions  
(ii) £69m  
(iii) Policies vest in the period 2016 – 2049.  
(iv) £0m  
(v) 9-10%  
(vi) Increments can be made to the policy.  
(vii) The annuity is monthly in advance and guaranteed for 5 years.  
(viii) 55-70 years

### Royal London (CIS) Subfund

- (a) The method used to value guaranteed annuity rate options is as follows:

Certain personal and free-standing pension scheme pure endowment contracts and State Earnings Related Pension Scheme contracts issued prior to March 1999 contain options guaranteeing a minimum annuity rate at vesting. The current value of the guaranteed minimum annuity was determined by calculating a deterministic reserve using prudent lapse, early retirement, triviality and lump sum take-up rates, and then adding to this an allowance for the time value of the guarantee, calculated stochastically. The time value is calculated by projecting the current guaranteed benefits stochastically to normal retirement date over 1,000 randomly generated simulations centred on the valuation interest rate, and the 67th percentile taken. The assumptions used for the time value calculation are as described below.

Valuation interest rate                      3.63% pa for single premium policies and 3.63% pa for regular premium policies

Pre-retirement transfer rate:

Product	Duration in force		
	1-8	9-25	26-30
	%p.a.	%p.a.	%p.a.
Regular Premium Personal Pension	0%	1.225%	0.875%
Single Premium Personal Pension	0.70%	0.70%	0.70%

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

Early retirement:

Product	Years before retirement			
	1	2-4	5	6-10
	% p.a.	% p.a.	% p.a.	% p.a.
Regular Premium Personal Pension	4.20%	2.80%	5.25%	1.40%
Single Premium Personal Pension	2.10%	2.80%	3.50%	1.40%

Take-up rate of guaranteed annuity options: 100% of personal pension retirements take at least 25% of the fund value as a lump sum. 38% of all policies with a fund value under £30,000 are taken as a lump sum. 5% of all policies with a fund value over £30,000 are taken as a lump sum.

- (b) (i) Personal pension and free standing AVCs issued prior to March 1999.
- (ii) £1,708m
- (iii) Policies vest in the period 2016 – 2050.
- (iv) £319m
- (v) 8.0%
- (vi) Increments cannot be made to the policy.
- (vii) Monthly in advance, single life, 5 year guarantee, level.
- (viii) Options apply only at the retirement age selected by the policyholder when contributions first commenced, except for policies issued after May 1997 where the rate also applies if benefits are taken at a later date.
  
- (b) (i) SERPS policies issued prior to March 1999.
- (ii) £1,984m
- (iii) Policies vest in the period 2016 – 2048.
- (iv) £484m
- (v) Contributions prior to 1997-98 tax year: 5.0%  
Contributions for 1997-98 tax year and later: 3.5%
- (vi) Increments cannot be made to the policy.
- (vii) Monthly in advance and guaranteed for 5 years, with a 50% pension payable to a surviving spouse and annual escalation of 3% in respect of contributions for tax years prior to 1997-98 and 5% for tax years from 1997-98 onwards.
- (viii) 60 – 75.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Scottish Life Fund

- (a) In the case of Former SL deferred cash contracts with a guaranteed minimum annuity at vesting, the reserve was calculated using the higher of the cash amount and the value of the guaranteed minimum annuity at vesting. The take-up rate assumption was 73% for policies vesting in 2016-2026, and then rising linearly by 2.2% pa to a maximum of 95% for policies vesting in 2035 and later years.

The valuation interest rates were determined using the approach described for the Royal London IB & OB Subfund above. The interest rates calculated for unit-linked liabilities also allow for a stochastic projection of the unit funds to the option exercise date.

- (b) (i) Talisman Personal Pension Plan Series 1 issued pre July 1988, Sovereign Plan, Personal Pension Policy, Personal Pension Bonus Bond, Personal Pension Cashplan and With-Profits Variable Premium Bond.  
(ii) £165m  
(iii) Policies vest in the period 2016 – 2042.  
(iv) £90m  
(v) 10.887%  
(vi) Contractual increments can be made to the Talisman Personal Pension Plan but these do not qualify for guaranteed annuity rates unless they were arranged prior to 1995.  
(vii) Level, yearly in arrears.  
(viii) 60 – 75.
- (b) (i) Talisman Personal Pension Plan Series 1 issued post June 1988 (non-Protected Rights).  
(ii) £213m  
(iii) Policies vest in the period 2016 – 2039.  
(iv) £86m  
(v) 9.864%  
(vi) Contractual increments can be made to the policy but these do not qualify for guaranteed annuity rates unless they were arranged prior to 1995.  
(vii) Level, yearly in arrears.  
(viii) 55 – 75.
- (b) (i) Talisman Personal Pension Plan Series 1 issued post June 1988 (Protected Rights).  
(ii) £724m  
(iii) Policies vest in the period 2016 – 2040.  
(iv) £366m  
(v) 5.673%  
(vi) Increments cannot be made to these policies.  
(vii) Escalating at 3% pa, payable yearly in arrears. There is an attaching widows/widowers pension of 50%.  
(viii) 60 – 75 (including late vesting).
- (b) (i) Talisman Executive Pension Plan Series 1 and With-Profits Deferred MIPA.  
(ii) £39m  
(iii) Policies vest in the period 2016 – 2035.  
(iv) £21m  
(v) 10.000%  
(vi) Contractual increments can be made to the Talisman Executive Pension Plan but these do not qualify for guaranteed annuity rates unless they were arranged prior to 1995. Increments cannot be made to the With-Profits Deferred MIPA contract.  
(vii) Level, monthly in advance, guaranteed 5 years.  
(viii) 55 – 75.

### 5. (2)

Not applicable.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### 5. (3)

Former RLA contracts contain the following Guaranteed Insurability Options:

Guaranteed insurability options – Former Royal Liver Assurance products

A reserve equal to £0.07 million is held in respect of Guaranteed Insurability Options for low cost endowment assurances. These policyholders have the option to take out new policies, or change their existing term, without providing any further medical evidence. The reserve has been calculated assuming that the take-up rate is equal to the total number of policies who have exercised the option to date divided by the number of currently in force eligible policies. A cost is determined based on all policies exercising the option claim immediately.

Guaranteed Insurability Options – Former Progress products

An additional loading is applied to the base mortality assumption in respect of Guaranteed Insurability Options for Progress protection menu products. A reserve equal to £0.16m is held in respect of guarantee insurability options for Progress protection menu products.

Product name	In-force premium	Sum assured	Description of option	Guarantee reserve
Progress	£22.9m	£12.12bn	Option to increase sum assured without further underwriting on certain events e.g. marriage or moving house.	£1.3m gross of reinsurance  £0.16 m net of reinsurance

Guaranteed insurability options – Former Caledonian products

For conversion and further assurance options the additional prospective mortality cost arising from the exercise of such options has been assessed. For business sold under the Caledonian brand this is calculated on the basis that 35% of policyholders renew on maturity and incur 50% higher mortality for the first 7 years after renewing. A mortality basis of 116% TM80 ultimate is used with age loadings of 0 for male non-smoker, +3 for male smoker, -4 for female non-smoker and +1 for female smoker. A total of £8.56 million is held within the reserves to provide for the exercising of these options in respect of business sold under the Caledonian brand.

Product name	In-force premium	Sum assured	Description of option	Guarantee reserve
Caledonian protection	£20.3m	£6.80bn	Option to convert to any Royal London Ireland brand protection policy open to new business at conversion date without further underwriting.	£8.6m

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### 5. (4)

#### Royal London IB & OB Subfund

Guarantees have been issued to settle some cases under the review of pension transfers and opt-outs as instigated by the Securities and Investments Board. The guaranteed benefits have been valued using the following principal assumptions:

Interest rate in deferment	RPI - 0.750%
Interest rate in possession	RPI - 0.750%
Salary inflation	RPI + 2.5%
Promotional increases	1%
Rate of pension increase in payment	RPI
Rate of pension increase in deferment	RPI + 1%
Mortality in deferment	82.80% PPMD00 ultimate unrated, 88.32% PPFD00 ultimate unrated
Mortality in possession	100% PPMV00 CMI(2014) 2%p.a. & 87% PPFV00 CMI(2014) 2%p.a. (See Note [1] in 4. (4))

The gross reserves for the guarantees were reduced by the reserves for the guaranteed policies as shown in the following table. The net reserves are included within the total reserves for the pensions review shown in Forms 51 – 54 as appropriate.

	Gross provision for guarantees	Mathematical reserves for underlying contracts	Net provision for guarantees
RL business	£74,057,000	£4,380,000	£69,677,000
Former RA business	£8,220,000	£889,000	£7,331,000
Former RIL business	£7,813,000	£575,000	£7,238,000
Former UFI business	£18,324,000	£1,696,000	£16,628,000
Former UFLA business	£147,000	£28,000	£119,000
Total	£108,561,000	£7,568,000	£100,993,000

#### RL Business

Under certain policies which are a combination of with-profits endowment assurances and additional temporary benefits, a guarantee of a minimum payment on maturity applies (GMDB).

From time to time as considered appropriate, the Society may compute the estimated maturity value under these policies and, where this is less than the GMDB, the endowment sum assured would be increased, without evidence of health, with an appropriate increase in premium.

Although there is no general premium rate guarantee, the following guarantees do apply:

- (a) any increase in premium is limited to 10% of the premium applying immediately prior to the review, and
- (b) the increase in premium is limited to such amount as will allow the policy to remain a qualifying policy under paragraphs 2(1)(c) and (d) of Schedule 15 of ICTA 1988, or the equivalent earlier legislation.

The mathematical reserve for these policies includes an amount of £11,200,000 being the present value of the projected shortfall. The shortfall calculation assumed no future bonuses are added to the policies in accordance with the requirements of INS Pru 1.2.

An additional reserve of £102,500 has been included in Form 51 in respect of options and guarantees.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Former RA Business

In respect of regular premium conventional with-profits pension policies written between March and September 1999, there is an undertaking safeguarding the interests of policyholders following the issue of any relevant announcements concerning the terms on which Stakeholder pensions might be sold. For those eligible to join a Stakeholder pension scheme, this will lead to enhanced transfer values being payable.

A reserve of £10,905,000 is included in Form 51 for the undertaking. The liability was calculated as the accumulated value of premiums paid from entry to the valuation date (£31,674,000) less the mathematical reserves held (£20,768,000)

An additional reserve of £250,000 has been included in Form 51 in respect of options and guarantees.

### Former RLA business

In respect of Homeguard policies, there is a guarantee to repay the outstanding mortgage on death regardless of how mortgage interest rates have moved since the commencement of the policy. The expected cost of this guarantee has been allowed for by calculating expected payments on death using a prudent rate of mortgage interest which is currently capped at 7%. The mortgage interest rate which applied at policy inception is recorded on Homeguard and the main valuation run decreases the sum assured at this rate. A total reserve of £1.5 million has been held to cover the guarantee.

Product name	In-force premium	Sum assured	Description of option	Guarantee reserve
Caledonian Homeguard	£3.9m	£1.09bn	n/a	£1.5m

### Former UFI Business

In respect of regular premium unit-linked pension policies written between March and September 1999, there is an undertaking safeguarding the interests of policyholders following the issue of any relevant announcements concerning the terms on which Stakeholder pensions might be sold. For those eligible to join a Stakeholder pension scheme, this will lead to enhanced transfer values being payable.

A non unit liability of £3,209,000 is included in Form 53 for the undertaking. The liability was calculated as the accumulated value of premiums paid from entry to the valuation date (£12,417,000) less the mathematical reserves held (£9,208,000).

### Former UFLA Business

A sterling reserve of £255,000 has been included in Form 53 in respect of the mortality guarantee option on certain Investment Bond contracts. The reserve has been calculated by applying the ratio of annuity values on prospective mortality and guaranteed mortality tables determined using the sterling reserve discount rate for life business to eligible reserves of £12,673,000 and a take-up rate of 5% (based on experience).

### Scottish Life Fund & Royal London IB & OB Subfund

Within the contract descriptions shown below some contracts have underlying guaranteed minimum pensions (GMPs). The GMPs are valued as non-profit deferred pensions with attaching widow's/er's pensions. An additional liability is calculated as the higher of zero and the value of the GMPs less the value of the non-guaranteed benefits. The valuation bases are described in Section 4.

Contract	Non-Guaranteed Reserve Scottish Life Fund	Non-Guaranteed Reserve Royal London IB & OB Subfund	GMP Reserve Scottish Life Fund	GMP Reserve Royal London IB & OB Subfund
Buyout Bond & Policy	£188,881,000	£26,081,000	£599,000	£367,000
Crest Secure	£263,336,000		£163,451,000	
Talisman Buyout Bond – Series 2	£46,172,000	£7,950,000	£33,108,000	
Talisman Buyout Bond – 98 Series 1	£2,545,000	£22,772,000		£1,187,000
Individual Section 32 Buyout Plan		£51,402,000		£120,000

# VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## Former RLCIS Business

### Ordinary Section

Certain personal pension scheme pure endowment contracts contain a guarantee that the total charge for management expenses made after 5 April 2001 on an individual policy will not exceed the charges made to a comparable stakeholder pension policy. An additional reserve of £20.5m is held to cover the cost of meeting this guarantee, with the corresponding basic reserve (excluding the additional guaranteed annuity reserves) being £3,945m

The guarantee is calculated on a per-policy basis, using the same valuation assumptions as the basic reserves and using a renewal expense assumption for premium paying business of £18.26 pa. For each contract, the annual renewal expense is compared with the maximum annual charge that could be applied under an equivalent stakeholder pension policy. For each future year where the renewal expense is greater than the charge, the difference is discounted back to the valuation date at the valuation rate of interest and included as part of the additional reserve.

Provision has been made on a prudent basis for the estimated costs of compensation for the mis-selling of personal and free-standing pension and deferred pension bond contracts in respect of 1,443 cases for which guarantees have been given that the value of eventual compensation will not be less than the value of the occupational scheme benefits foregone by the individual investor. Of the 1,443 cases, data was available to enable 502 cases to be valued in accordance with the terms of the investor's occupational pension scheme. The remainder were valued assuming that the benefits available under the occupational scheme are comparable with those from a model scheme having the following characteristics:

Pension age	60
Accrual rate	1/65
Lump sum death in service multiple	4
Widow's fraction on death in service	50%
Widow's fraction on death in retirement	50%
Employee's contribution rate	4%

The method used to value the liabilities in respect of guarantees was the method labelled 'Method 1' in the letter from the Government Actuary to Appointed Actuaries dated 29 May 1997. The valuation basis used was as follows:

Interest	4.175% pa (net of inflation as measured by increases in the RPI)
Salary escalation	RPI plus 3% pa
Pension increases in payment	RPI
Pre-vesting mortality	AMC00/AFC00
Post-vesting mortality Personal Pensions	Males: 115.37% of PPMV00 with a long term mortality improvement rate of 2.00% Females: 107.90% of PPFV00 with a long term mortality improvement rate of 2.00%
Post-vesting mortality Other Pensions	Males: 104.58% of RMV00 with a long term mortality improvement rate of 2.00% Females: 141.10% of RFV00 with a long term mortality improvement rate of 2.00%

The CMI mortality projections model, CMI\_2014, has been used for post-vesting mortality.

The total provision at 31 December 2015 was £61.4m.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Expense reserves

#### 6. (1)

At least £234m is expected to arise during the calendar year after the valuation date from explicit allowances made in the valuation to meet expenses in fulfilling contracts in force at the valuation date. This amount consists of £50m investment expenses and £184m other maintenance expenses.

#### 6. (2)

### Former RLCIS Business

Implicit allowances are taken to be the difference between the office and the corresponding net premium, after allowing for any margin that represents a loading for future bonuses.

#### 6. (3)

The amount of expense shown in Form 43 line 14 is significantly different to the amount expected on the valuation assumptions per paragraph 6. (1) above.

Revenue account expenses in Form 43 line 14 include the following items not provided for in the valuation:

- Investment expenses associated with the management of the excess assets are not provided for nor are the costs of acquiring/disposing assets.
- A vacant property provision and expenses associated with the management of property assets are charged to the funds. These are allowed for in the liability valuation via a reduction in the risk adjusted yield on property assets available to back/value the liabilities.
- A Financial Services Compensation Scheme levy.
- Ex gratia/compensation payments (which are charged to the estate).
- A discretionary payment to the staff pension fund.

Other management costs are in Form 43 line 15 including integration costs, redundancy costs and exceptional costs related to strategic projects of the Society.

Finally, the amount shown in paragraph 6. (1) reflects the run off of the closed books of business within the Society.

#### 6. (4)

The impact of writing new business on the provision for expenses in the valuation has been evaluated after taking into account anticipated levels of new business and expenses as projected in the Society's budgetary process. No additional provision was considered necessary.

#### 6. (5)

In assessing the adequacy of the provision for expenses in the mathematical reserves, the potential impact of additional expenses arising from closing the Society to new business twelve months after the valuation date has been evaluated. The investigation considered redundancy costs, vacant property provision and the termination of service agreements upon closure, together with the maintenance costs of continuing to service the existing book of business and margins projected to emerge on the existing business. No additional provision was considered necessary.

#### 6. (6)

All expenses have been attributed, apart from the additional expense reserve of £20.5m made to cover one off expenses to cover the costs of derivative transactions within the RLCIS OB & IB Fund.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Mismatching reserves

#### 7. (1)

A schedule of the mathematical reserves (other than liabilities for property linked benefits), after distribution of surplus, analysed by reference to the currencies in which the liabilities are expressed to be payable together with the value of the assets which match such liabilities has been produced as follows:

	Currency	Liabilities £000s	Assets £000s
<b>Royal London IB &amp; OB Subfund</b>			
	Sterling	3,578,614	3,578,614
	Euros	156	156
<b>Refuge Assurance IB Subfund</b>			
	Sterling	111,677	111,677
<b>United Friendly IB Subfund</b>			
	Sterling	435,976	435,976
<b>United Friendly OB Subfund</b>			
	Sterling	1,522,374	1,522,374
<b>Royal Liver Assurance Fund</b>			
	Sterling	675,490	675,490
	Euros	713,912	713,912
<b>Royal London (CIS) Subfund</b>			
	Sterling	9,267,889	9,267,889
<b>Scottish Life Fund</b>			
	Sterling	1,940,604	1,940,604
<b>PLAL With-Profits Fund</b>			
	Sterling	429,619	429,619

There are no liabilities in respect of deposits received from reinsurers.

#### 7. (2)

Not applicable.

#### 7. (3)

No reserve is held for currency mismatching. Non-profit liabilities are backed by assets denominated in the same currency. Any non sterling denominated assets are held as part of a diversified portfolio of investments. The discretionary nature of payouts on with-profit policies is such that they can vary with the returns on the assets and so there is no need to hold an additional reserve.

#### 7. (4) – (6)

As a realistic basis life firm the Society is no longer required to calculate a resilience capital requirement as per INSPRU 3.1.10R.

#### 7. (7)

The assets held in respect of technical provisions are adequately diversified and are appropriate to the type of business undertaken in relation to their safety, yield and marketability. The assets are substantially denominated in sterling and are of a sufficient amount and liquidity to ensure that inflows from the assets are expected to be sufficient to meet the insurance liabilities (including all guarantees and options) as they fall due. No additional reserve is necessary.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Other special reserves

#### 8.

A reserve of £76.4m has been held in respect of the cost of the Solvency II Transformation Project. This has been apportioned between the following subfunds:

	£(m)
Royal London IB & OB Subfund	35.9
Refuge Assurance IB Subfund	0.5
Royal Liver Assurance Fund	4.0
RLCIS OB & IB Fund	25.6
Scottish Life Fund	4.6
United Friendly IB Subfund	1.8
United Friendly OB Subfund	4.0

The reserves for the Royal London IB & OB subfund have been increased by £11m in respect of a unit fund pricing error.

The mathematical reserves for the Royal Liver Assurance Fund include an additional reserve of £10.4m in respect of the future fund related charge of 26 basis points that will be applied to the Royal Liver estate assets.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Reinsurance

#### 9. (1)

The Society does not cede any long term business on a facultative basis to a reinsurer who is not authorised to carry on insurance business in the United Kingdom.

#### 9. (2)

Details are set out on the next four pages of each reinsurance treaty where the Society is the cedant, under which business was in force at the date of the investigation and where either the premium payable to the reinsurer or the mathematical reserves ceded to the reinsurer exceeded £10m.

The following notes apply to the table:

- (g) None of the treaties contain deposit back arrangements.
- (i) Not applicable apart from entry (v) below. For (v) the amount of any undischarged obligation of the insurer is £2,786.9m.
- (l) All of the reinsurers are authorised to carry on insurance business in the United Kingdom.
- (m) The reinsurers are not connected companies of the Society.
- (n) The treaties with BlackRock Life Limited, AXA Wealth Ltd and Baillie Gifford Life Limited are in respect of the reinsurance of the investment liability arising in relation to funds, the performance of which is determined by property linked funds provided by the reinsurers. Each of these treaties provides a floating charge in favour of the Society over all of the reinsurer's assets. In the event of a winding up of a reinsurer the floating charge ranks the liabilities equally with standard insured policies.

A credit risk exists in the event of default of Prudential Retirement Income Limited and consequent recapture of the treaty, in that the additional premiums receivable, plus any amounts recoverable from the reinsurer, may not match the incidence of the additional risk. There is a floating charge in favour of the Society over all of the reinsurer's assets which ranks the liability under the treaty equally with all unsecured and unsubordinated Insurance Debts of the reinsurer on a winding up of the reinsurer.

In respect of the treaty with XL Re for Former RLCIS annuities, there is a collateral agreement in place whereby assets to the value of the mathematical reserves of the reassurers, and over which the Society has a charge, are held by independent custodians.

In respect of all other treaties, a credit risk exists in the event of default of the reinsurer and consequent recapture of the treaty, in that the additional premiums receivable, plus any amounts recoverable from the reinsurer, may not match the incidence of the additional risk.

In view of the credit risk associated with reinsurance arrangements, a reinsurer default reserve of £17m is held.

- (o) No specific provision has been made for any liability to refund reinsurance commission in the event of early termination of policies.
- (p) No treaties are "financing arrangements".

# VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

Reinsurer (d)	Reinsurance Cover (e)	Premiums payable (£m) (f)	Treaty Status (h)	Mathematical Reserves ceded (£m) (j)	Insurer's Retention (k)
(i) Swiss Re Europe S.A.	Former PLAL contracts A Surplus basis, mortality (risk premium) B Quota Share Mortality (risk premium) C Quota Share Mortality (modified original terms) D Quota Share Critical Illness and mortality (risk premium) E Quota Share Critical Illness and mortality (modified original terms) F Quota Share Critical Illness (risk premium) G Quota Share Critical Illness (modified original terms)	£11.4m	Closed to new business	£9.2m	Not applicable
(ii) Swiss Re Europe S.A.	Former PLAL Protection Plans Quota share critical illness and mortality (risk premium)	£5.9m	Closed to new business	£(11.2)m	Not applicable
(iii) Swiss Re Europe S.A.; RGA	Former SMA and Scottish Provident branded Pegasus policies – various treaties covering: mortality only, mortality with attaching critical illness, waiver of premium benefit, other benefits (income replacement, medical expenses, hospital cash) for older policies.  All reinsured on risk premium basis.	£22.5m	Swiss Re closed to new business RGA open to new business	£10.0m	For policies containing Critical Illness benefits, 50% of the sum at risk or £125,000 if less.  For policies containing life cover only or life cover with terminal illness, first £400,000 of sum at risk.
(iv) Swiss Re Europe S.A.	Former SPL Self Assurance contracts. Mortality, Accelerated critical illness and Stand-Alone critical illness. All reinsured on a quota share basis.	£12.0m	Closed to new business	£35.0m	Not applicable
(v) Swiss Re Europe S.A.	Former RLCIS annuities. 25% quota share of annuities in payment as at 30 June 2004, 100% quota share of annuities in payment from 30 June 2004 to 31 May 2007 and the first life annuity benefits payable under certain deferred annuity with-profits policies.	See Note (v) below	Closed to new business	£2,421.0m	Not applicable

# VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

Reinsurer (d)	Reinsurance Cover (e)	Premiums payable (£m) (f)	Treaty Status (h)	Mathematical Reserves ceded (£m) (j)	Insurer's Retention (k)
(vi) Swiss Re Europe S.A., SCOR UK, SCOR Germany, SCOR Ireland, Hannover Re, Munich Re, Pacific Life Re Limited, XL Re, Gen Re, Partner Re, RGA	Former SMA and Scottish Provident branded Self Assurance contracts – various treaties covering: mortality, Accelerated critical illness and Stand-Alone critical illness, Accelerated and Stand-Alone disability benefit. Premium payment benefit for sickness, accident and disability.  Reinsured on risk premium basis except some older closed treaties are original terms.	£82.6m	Swiss Re closed for disability income benefit  Hannover / Pacific Life Re/ SCOR closed for death benefit  SCOR Germany and XL Re closed for Stand-Alone CIC  SCOR UK/SCOR Ireland closed for Stand-Alone CIC  SCOR Germany and XL Re closed for Accelerated CIC  Swiss Re and SCOR UK/SCOR Ireland closed for Accelerated CIC  Munich Re closed for mortality benefit  Pacific Life Re open for disability income benefit  RGA open for Stand-Alone CIC  SCOR/RGA open for Accelerated CIC  Gen Re open for mortality benefit	£154.7m	For disability income benefit policies, 25% or £4,500 per annum if less  For other policies, 10% or £50,000 if less
(vii) General Reinsurance Life UK Limited	Bright Grey contracts Quota share mortality cover (risk premium and nil premium periods)	£32.8m	Open to new business	£84.9m	20% or £50,000 if less up to 7 October 2008  10% or £50,000 if less from 8 October 2008.

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

Reinsurer (d)	Reinsurance Cover (e)	Premiums payable (£m) (f)	Treaty Status (h)	Mathematical Reserves ceded (£m) (j)	Insurer's Retention (k)
(viii) BlackRock Life Limited	All benefits expressed in terms of units in the RLP/BlackRock Aquila Consensus, RLP/BlackRock Aquila Global Equity Index (60:40), RLP/BlackRock Aquila US Equity Index, RLP/BlackRock Aquila European Equity Index, RLP/BlackRock Aquila UK Equity Index, RLP/BlackRock Aquila Global Equity Index (50:50), RLP/BlackRock Aquila Long Gilt Index, RLP/BlackRock Aquila World (ex UK) Equity Index 'A', RLP/BlackRock Aquila US Equity Index 'A', RLP/BlackRock Aquila European Equity Index 'A', RLP/BlackRock Aquila Japanese Equity Index, RLP/BlackRock Aquila Japanese Equity Index 'A', RLP/BlackRock Aquila Pacific Rim Equity Index, RLP/BlackRock Aquila Pacific Rim Equity Index 'A', RLP/BlackRock Aquila UK All Stocks Corporate Bond Index, RLP/BlackRock Aquila World (ex UK) Equity Index, RLP/BlackRock Aquila Global Blend and RLP/BlackRock Aquila Over 5 years Index Linked Gilt Index Pension funds are reinsured.	£495.5m	Open to new business	£2,179.7m	Nil
(ix) AXA Wealth Ltd	All benefits expressed in terms of units in the RLP UK Equity Core Plus (Close TEAMS UK Equities (2%)), RLP UK Equity Core Plus (Close TEAMS UK Equities (1%)) and RLP Close TEAMS UK Equities 1% 'A' Pension funds are reinsured.	£0.9m	Open to new business	£14.9m	Nil.
(x) Prudential Retirement Income Limited	Former SL and RL (intermediary) pension annuity business with currency dates after 31 <sup>st</sup> December 2004.	£77.9m	Open to new business	£441.7m	Nil
(xi) Unum Limited	Former SL and RL (intermediary) group protection business - reinsurance of 100% claims in payment and any claims arising.	£0.1m	Open to new business in so far as future claims can be reinsured.	£15.1m	Nil.
(xii) Munich Re UK Life Branch	Former RLA business Business written on original terms basis with rebate during initial period. Covers protection business that includes: <ul style="list-style-type: none"> <li>• term assurance (withdrawn 31/12/10);</li> <li>• reviewable accelerated critical illness cover (withdrawn 26/10/06);</li> <li>• guaranteed accelerated critical illness cover (launched 06/10/08), withdrawn 31/12/10);</li> <li>• stand-alone critical illness cover (withdrawn 26/10/06);</li> <li>• pension life cover (launched 24/04/06, suspended 06/12/06);</li> <li>• family income cover (withdrawn 31/12/10);</li> <li>• income protection (withdrawn 31/12/10)</li> </ul>	£20.4m	Closed to new business	£63.6m	Not applicable

## VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

Reinsurer  (d)	Reinsurance Cover  (e)	Premiums payable (£m) (f)	Treaty Status  (h)	Mathematical Reserves ceded (£m) (j)	Insurer's Retention  (k)
(xiii) Munich Re UK Life Branch	Former RLA business Business written on an original terms basis covering Caledonian escalating protection and Caledonian protection (excluding Homeguard) policies	£10.6m	Open to new business	£21.9m	10% up to max of 63,487 Euros for non-Serious Illness Products  10% up to max of 50,000 Euros for Serious Illness Products
(xiv) General Reinsurance Life UK Limited	Former RLA business Reinsurance retention calculated on a mixture of Quota Share/Individual Surplus Basis. Reinsurance premiums calculated on risk premium basis. All life cover written from 01/10/2011 (including additional life cover on SI policies); SI business written from 01/10/2011 to 31/01/2014.	£4.2m	Open to new business	£21.7m	10% up to max of 50,000 Euros for non-Serious Illness Products  20% up to max of 50,000 Euros for Serious Illness Products
(xv) Baillie Gifford Life Limited	All benefits expressed in terms of units in the RLP/Baillie Gifford UK Equity 'A', RLP/Baillie Gifford Worldwide Equity (50:50) 'A', RLP/Baillie Gifford UK Equity and RLP/Baillie Gifford Worldwide Equity (50:50) Pension funds.	£(0.3)m	Open to new business	£17.3m	Nil.
(xvi) Munich Re UK Life Branch	Bright Grey contracts Quota share mortality (nil and reduced premium periods) and income protection cover (risk premium)	£9.7m	Closed to new business	£11.4m	Not applicable
(xvii) RGA	Bright Grey contracts – various treaties covering: Reviewable critical illness cover (nil premium periods), guaranteed critical illness cover (risk premium), mortality with attaching critical illness cover (risk premium)	£15.1m	Closed to new business	£24.2m	Not applicable
(xviii) SCOR Vie	Bright Grey contracts Reviewable stand-alone critical illness cover (nil premium periods), Reviewable accelerated critical illness cover (nil premium periods and risk premium), guaranteed accelerated critical illness cover (risk premium)	£6.4m	Closed to new business	£23.1m	Not applicable
(xix) XL Re	Former RLCIS annuities. 75% quota share of annuities in payment as at 30 June 2004.	Nil	Closed to new business	£826.9m	Not applicable
(xx) RGA	Former RLCIS annuities. 100% quota share of annuities in payment from 1 June 2007 to 31 December 2013 plus some schemes pre 1 June 2007	Nil	Closed to new business	£946.1m	Not applicable

Note (v) The Society is contracted to pay premiums in accordance with a schedule of payments covering a period of up to 2066. At inception of the contract the Society recognised its premium obligation in full within earned premiums by a charge representing the net present value of the contracted payments and recognises a financial liability within Form 14 line 33 to the extent that the premium has yet to fall due for payment.

At inception of the contract, the Society also purchased a debt security, cash flows from which will fund the discharge of the financial liability as amounts fall due for payment.

# VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## Reversionary (or annual) bonus

### 10. (1)

#### Royal London IB & OB Subfund

Name of bonus series	Mathematical reserves	Reversionary bonus rate		Total guaranteed bonus rate for 2015
		2015	2014	
Conventional business:				
RL Regular premium assurances (simple)	£262m	0.5%	0.5%	0.5%
RA Assurances (compound)	£69m	0.5%/0.5%	0.5%/0.5%	0.5%/0.5%
RA Pensions MW and WPPP SP (compound)	£445m	0.1%/0.1%	0.5%/0.5%	0.1%/0.1%
RA Pensions WPPP RP (compound)	£259m	0.5%/0.5%	0.5%/0.5%	0.5%/0.5%
RL Industrial Branch Whole Life (simple)	£117m	0.5%	0.5%	0.5%
RL Industrial Branch Endowments (simple)	£44m	0.5%	0.5%	0.5%
Accumulating with profits business				
RL Retirement annuity pension (compound)	£81m	2.5%/2.5%	2.0%/2.0%	2.5%/2.5%
RL Personal pension, Freestanding AVC (compound)	£1,207m	2.5%/2.5%	2.0%/2.0%	2.5%/2.5%
RL Funeral Plan	£117m	0.01%	n/a	0.01%
UWP business:				
RL Unitised Whole Life Assurance	£77m	3.0%	2.5%	3.0%
RA Unitised Whole Life Assurance	£15m	3.0%	2.5%	3.0%
RL Unitised With-Profits Savings Plans	£15m	3.0%	2.5%	3.0%
RL Insurance ISA	£74m	1.5%	1.0%	1.5%
European With-Profits Bond and With Profits Bond Plus	£71m	1.0%	1.0%	1.0%
RL Unitised Personal Pension Plan (Series 2)	£11m	1.50%	1.35%	0.5% *
RA Unitised Personal Pension Plan (Series 1)	£30m	1.50%	1.35%	0.25% *
Talisman, Retirement Solutions, Individual & Pension Portfolio	£281m	2.0%/2.0%	2.0%/2.0%	2.0%/2.0%

Note: Bonus rates marked “\*” are net of policy charges deducted from the gross bonus rate.

#### PLAL With-Profits Fund

Name of bonus series	Mathematical reserves	Reversionary bonus rate		Total guaranteed bonus rate for 2015
		2015	2014	
Series III Life	£148m	1.0%	1.0%	1.0%
Series III Pension	£159m	1.0%	1.0%	1.0%
Series V Life Bonds	£102m	1.0%	1.0%	1.0%
Insurance ISA	£21m	1.5%	0%	1.5%

# VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## Refuge Assurance IB Subfund

Name of bonus series	Mathematical reserves	Reversionary bonus rate		Total guaranteed bonus rate for 2015
		2015	2014	
RA Industrial (compound)	£83m	0.5%/0.5%	0.5%/0.5%	0.5%/0.5%

Whole of life policies on which premiums ceased under the terms of the contract after 31 March 1988 are deemed to be participating policies.

## Royal Liver Assurance Fund

Name of bonus series	Mathematical reserves	Reversionary bonus rate		Total guaranteed bonus rate for 2015
		2015	2014	
Royal Liver Business				
OB Simple Old Series	£46m	0.00%	0.00%	0.00%
OB Compound Old Series	£37m	0.00%/0.00%	0.00%/0.00%	0.00%/0.00%
OB New Series	£101m	0.00%/0.00%	0.00%/0.00%	0.00%/0.00%
Unitised With Profit Pensions – Tables 50(1998), 54(1998), 100(1998).	£354m	0.50%/0.50%	0.50%/0.50%	0.50%/0.50%
IB Post Rationalisation	£35m	0.00%/0.00%	0.00%/0.00%	0.00%/0.00%
Former Caledonian Business				
With Profit Bond	£196m	0.50%/0.50%	0.50%/0.50%	0.50%/0.50%
VIP Series I – simple	£14m	0.00%	0.00%	0.00%
SERP – simple	£10m	0.00%	0.00%	0.00%
PPP and VIP Series II	£30m	0.00%/0.00%	0.00%/0.00%	0.00%/0.00%
PPP and VIP Series III	£14m	0.00%/0.00%	0.00%/0.00%	0.00%/0.00%
Former Irish Life Business				
Post 1980	£13m	1.50%	1.00%	1.50%
Former Friends Provident Business				
All tables except 1/2/3 & 10F pre 1979, all post 2000 & tables 82F, 83F and 84F	£29m	0.00%	0.00%	0.00%

# VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## Royal London (CIS) Subfund

Name of bonus series	Mathematical reserves	Reversionary bonus rate		Total guaranteed bonus rate for 2015
		2015	2014	
Conventional business:				
Ordinary Branch Assurances	£589m	0.40%/0.50%	0.40%/0.50%	0.40%/0.50%
Personal Pensions	£4,802m	0.00%/0.00%	0.00%/0.00%	0.00%/0.00%
Pension and retirement benefits – Series “A” funding for either annuity or annuity and cash sum	£1,003m	0.00%/0.00%	0.00%/0.00%	0.00%/0.00%
Pension and retirement benefits – Series “A” funding for a cash sum only	£44m	0.25%/0.30%	0.25%/0.30%	0.25%/0.30%
Pension and retirement benefits – other than Series “A”	£16m	2.00% of the basic benefit	2.00% of the basic benefit	2.00% of the basic benefit
Industrial Branch Assurances	£320m	0.20%/0.25%	0.20%/0.25%	0.20%/0.25%
Accumulating with-profits business				
Platinum Bond Plus: Policies effected before 1 April 2004 Policies effected between 1 April 2004 and 31 March 2009 Policies effected on or after 1 April 2009	£688m	1.25%	1.25%	1.25%
		2.00%	2.00%	2.00%
		2.75%	2.75%	2.75%
Platinum Plus: Policies held within an Individual Savings Account  Policies not held within an Individual Savings Account	£306m	2.00% per annum of the policy value	2.00% per annum of the policy value	2.00% per annum of the policy value
		1.75% per annum of the policy value	1.75% per annum of the policy value	1.75% per annum of the policy value
Funeral Investment Plan	£561m	0.01% per annum of the plan value	0.01% per annum of the plan value	0.01% per annum of the plan value
Funeral Pre-payment Plan	£62m	0.01% per annum of the plan value	0.01% per annum of the plan value	0.01% per annum of the plan value

# VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## Scottish Life Fund

Name of bonus series	Mathematical reserves	Reversionary bonus rate		Total guaranteed bonus rate for 2015
		2015	2014	
SL conventional business:				
Assurances (compound)	£27m	0.1%/0.1%	0.1%/0.1%	0.1%/0.1%
Pensions (compound)	£891m	0.1%/0.1%	0.1%/0.1%	0.1%/0.1%
With-profits plan (compound)	£35m	0.1%*	0.1%**	0.1%
SL UWP business:				
Profitbuilder, Budget Plan (TP1), Budget Plan (TP2)	£14m	2.0%/2.0%	2.0%/2.0%	2.0%/2.0%
Talisman and Retirement Solutions	£96m	2.0%/2.0%	2.0%/2.0%	2.0%/2.0%
Crest Growth ***	£45m	2.0%	2.0%	2.0%
SL deposit administration business:				
Sovereign Plan, Talisman Secure Account	£137m	5.75%*	5.75%**	5.75%
Crest Secure	£425m	5.0%*	5.0%**	5.0%

Note: bonus rates marked “\*” indicate that the rate shown applies for a calendar year, policy year or scheme year 2015/2016 as appropriate. Rates marked “\*\*” apply similarly for 2014/2015.

\*\*\* A special bonus of 5% has been declared for 2015 for defined benefit schemes.

## United Friendly IB Subfund

Name of bonus series	Mathematical reserves	Reversionary bonus rate		Total guaranteed bonus rate for 2015
		2015	2014	
Whole life assurance (simple):				
Class 1 (table 7)	£107m	0.5%	0.5%	0.5%
Class 2 (table 27W)	£169m	1.5%	1.0%	1.5%
Class 3 (table 27L)	£77m	1.5%	1.5%	1.5%
Whole life assurance with recurring endowments (simple)				
Class 1 (table 5)	£56m	0.5%	1.0%	0.5%
Class 2 (table 25)	£20m	1.5%	1.0%	1.5%
All applicable contracts				
LAPR sum assured addition 6.4.79 (except table 7)	Included above	1.5%	1.0%	1.5%
LAPR sum assured addition 6.4.79 (table 7)	Included above	0.5%	0.5%	0.5%
LAPR sum assured reduction 6.4.81 (except table 7)	Included above	1.5%	1.0%	1.5%
LAPR sum assured reduction 6.4.81 (table 7)	Included above	0.5%	0.5%	0.5%

The Society has issued business on three broad rating tables.

- Class 1 applies to weekly business written up to and including 5 April 1979.
- Class 2 applies to weekly business written between 6 April 1979 and 4 September 1988.
- Class 3 applies to all lunar monthly business.

# VALUATION REPORT ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## United Friendly OB Subfund

Name of bonus series	Mathematical reserves	Reversionary bonus rate		Total guaranteed bonus rate for 2015
		2015	2014	
Whole life assurances (tables I, W):				
Series 1 with guarantee (simple)	£42m (including non-guaranteed)	0.0%	0.0%	1.5%
Series 1 no guarantee (simple)	Included above	0.0%	0.0%	0.0%
Series 2 (compound)	£12m	2.0%/2.0%	1.5%/1.5%	2.0%/2.0%
Pension business:				
DWP rebates (compound)	£1,258m	0.0%/0.0%	0.0%/0.0%	0.0%/0.0%
Regular premium personal pensions (compound)	£162m	0.0%/0.0%	0.0%/0.0%	0.0%/0.0%
Single premium personal pensions (compound)	£19m	0.0%/0.0%	0.0%/0.0%	0.0%/0.0%

There are three bonus series for life assurance with-profits business:

- Series 1 applies to simple annual bonus contracts written up to 30 September 1989.
- Series 2 applies to compound annual bonus contracts written from 1 October 1989 (excluding low cost endowment contracts written from May 1994).

### 10. (2)

The tables in paragraph 10. (1) above separately identify unitised with-profits business. Where a single rate has been supplied, this is the rate of increase in the unit price during the year (unless stated otherwise). Where two rates have been provided, bonus units are added to the policies.

### 10. (3)

The tables in paragraph 10. (1) show the separate rates applicable to the sum assured and existing bonus for super compound bonus series.

### 10. (4)

There are no bonus series with variable bonus rates.

# VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## Introduction

### 1. (1)

This investigation relates to 31 December 2015.

### 1. (2)

The previous investigation related to 31 December 2014.

### 1. (3)

The date of the last interim valuation, which was not published, was 30 June 2015.

## Assets

### 2. (1)

A table of the economic assumptions used to determine the value of future profits for non profit insurance contracts, applying to all with-profits funds except the Royal Liver Assurance Fund and the Royal London (CIS) Funds, is set out below:

	31/12/2015	31/12/2014
Non participating (pre tax) return	Gilt Yield Curve	Gilt Yield Curve
Non participating (post tax) return	Gilt Yield Curve Net of Tax	Gilt Yield Curve Net of Tax
Unit linked (pre tax) return	Gilt Yield Curve	Gilt Yield Curve
Unit Linked (post tax) return	Gilt Yield Curve Net of Tax	Gilt Yield Curve Net of Tax
Risk Discount Rate (pre tax)	Gilt Yield Curve	Gilt Yield Curve
Expense Inflation (UK)	RPI Inflation Curve + 1%	RPI Inflation Curve + 1%
Expense Inflation (ROI)	CPI Inflation Curve + 1%	CPI Inflation Curve + 1%

A table of the economic assumptions used to determine the value of future profits for non profit insurance contracts, applying to the Royal Liver Assurance Fund, is set out below:

	31/12/2015	31/12/2015	31/12/2014	31/12/2014
	UK	ROI	UK	ROI
Non participating (pre tax) return	Gilt Yield Curve	Euro "Gilt" Yield Curve	Gilt Yield Curve	Euro "Gilt" Yield Curve
Unit linked (pre tax) return	Gilt Yield Curve	Euro "Gilt" Yield Curve	Gilt Yield Curve	Euro "Gilt" Yield Curve
Risk Discount Rate (pre tax)	Gilt Yield Curve	Euro "Gilt" Yield Curve	Gilt Yield Curve	Euro "Gilt" Yield Curve
Expense Inflation	RPI Inflation Curve +1%	CPI Inflation Curve +1%	RPI Inflation Curve +1%	CPI Inflation Curve +1%

A table of the economic assumptions used to determine the value of future profits for non profit insurance contracts, applying to the Royal London (CIS) Funds, is set out below:

	31/12/2015	31/12/2014
Non participating (pre tax) return	Gilt Yield Curve	Gilt Yield Curve
Unit linked (pre tax) return	Gilt Yield Curve	Gilt Yield Curve
Risk Discount Rate (pre tax)	Gilt Yield Curve	Gilt Yield Curve
Per policy expense Inflation	RPI Inflation Curve + 0.6%	RPI Inflation Curve + 0.6%

Under the terms of a waiver granted by the PRA, the value of future profits in respect of certain with-profits business may be brought into account in line L22 of Form 19 for the Royal London IB & OB Subfund, provided that these values are calculated on a market consistent approach and use stochastic investment scenarios and liability cashflows consistent with those used for the calculation of the future policy related liabilities (FPRL) in the originating with-profits fund.

These future profits relate to shareholder transfers on acquired UAG with-profits business, charges deducted from asset shares on those lines of acquired with-profits Scottish Life business detailed in the Scottish Life Scheme, and rate card charges less cost outgo arising on with-profits business in the Royal Liver Assurance Fund and Royal London (CIS) Funds. A description of the market consistent calibration is given in more detail in paragraph 6 below.

The value of the liability in respect of unit linked GARs held in the Scottish Life Fund has been assessed on a market consistent approach, using the same investment scenarios as for the FPRL calculations and best estimate non economic assumptions. The difference between the regulatory and realistic values of this liability has been included within the value of future profits on non profit business.

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### 2. (2)

The economic assumptions used to determine the value of future profits for non profit insurance contracts under INSPRU 1.3.33R(2) are the same as those given in the three tables in 2.(1) above.

### 2. (3)

Not applicable.

### 2. (4)

The different economic assumptions applying to the Royal Liver Assurance Fund and the Royal London (CIS) Funds have been disclosed in 2.(1) above.

## With-Profits Benefits Reserve (WPBR)

### 3. (1) (a) (b) (c)

The table below summarises the classes of with-profits insurance contracts that are used throughout the remainder of this abstract where this level of detail is required:

Class	Business Covered	Comment
1	IB (CWP)	Industrial Branch business, including endowment and whole of life business.
2	OB RP Life (CWP)	Ordinary Branch Life Regular Premium Conventional with-profits business, including both endowment and whole life business
3	OB SP Life (CWP)	Ordinary Branch Life Single Premium Conventional with-profits business, including both endowment and whole life business.
4	OB Life (UWP)	Ordinary Branch Life Regular and Single Premium Accumulating (Unitised) with-profits business.
5	OB RP Pension (CWP)	Ordinary Branch Regular Premium Conventional with-profits Pensions business, including both contracts that fund for an annuity and that fund for cash.
6	OB SP Pension (CWP)	Ordinary Branch Single Premium Conventional with-profits Pensions business, including both contracts that fund for an annuity and that fund for cash.
7	OB RP Pension (UWP)	Ordinary Branch Regular Premium Accumulating (Unitised) with-profits Pensions business.
8	OB SP Pension (UWP)	Ordinary Branch Single Premium Accumulating (Unitised) with-profits Pensions business
9	DA Business	Regular and Single Premium Deposit Administration business (Scottish Life Fund only).
10	Miscellaneous	Covers ISA business written in the Royal London IB & OB Subfund and other lines of business which are not required to be disclosed separately under paragraph 3.(3) of this abstract. For the Royal Liver Assurance Fund this contains additional reserves that have not been assigned to specific classes of business.

Tables are presented separately for each with-profits fund, where requested. When calculating the with-profits benefit reserve (WPBR), the retrospective method is the predominant calculation approach, as indicated in the tables below.

The prospective method is used in the following circumstances:

- where historic data is not in a suitable format, the only material classes being acquired Refuge Assurance OB Class 5 business in the Royal London IB & OB Subfund issued since 1992 which has become paid up, and United Friendly OB Subfund life policies in class 2 that have been converted;
- for all funds except for the Royal London (CIS) Ordinary & Industrial Life Fund, with whole of life business contained in Classes 1, 2 and 3 at advanced ages to prevent tontine effects that can occur using retrospective methods;
- for Royal London (CIS) Ordinary & Industrial Life Fund, whole of life products in class 1 at advanced ages to prevent tontine effects that can occur using retrospective methods and all whole of life products in classes 2 and 3.
- for true deferred annuity business contained within Classes 5 and 6 of the Scottish Life Fund where historic data is not in a suitable format and where the prospective value is anticipated to be higher than theoretical WPBR;
- for some former Royal Liver Assurance Caledonian pension contracts in Class 5, where premium histories were not sufficiently reliable to compute retrospective reserves, a prospective method has been used up to 31/12/2004 with a retrospective calculation applying from 01/01/2005; and

There are three approaches used to determine the WPBR under the Retrospective method:

Retrospective A: Asset shares are calculated using proprietary model office software by accumulating the premiums paid at the rate of return earned on the assets backing the policies after allowing for charges. These charges include the expenses incurred (for example, set up costs, commission payments, administrative fees and investment management costs), the cost of risk benefits, the cost of guarantees, the cost of smoothing, the cost of tax and (in respect of acquired UAG business only) a transfer to the estate within the Royal London IB & OB Subfund.

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

Retrospective B: For certain lines of Scottish Life Fund business and Royal London IB & OB Subfund business direct computation of Retrospective method A is not possible. For these lines, the results of Retrospective method A, as described above, for comparable classes of business are used to determine the WPBR and FPRL by reference to the relationship between statutory liability and realistic liability for each class.

Retrospective C: Used to calculate the retrospective with-profits benefits reserves of Royal London (CIS) with-profits stakeholder pension business written within the Royal London (CIS) With-Profits Stakeholder Fund and other with-profits pension business written within the Royal London (CIS) With-Profits Pension Fund. The retrospective with-profits benefits reserves for these policies are taken to be the value of the units at the unsmoothed unit price.

The prospective method can be described as follows:

Prospective A: The WPBR is set equal to the discounted value of future claim outgo (death, maturity and surrender) plus renewal expenses less associated tax relief, (in respect of acquired UAG business only) a transfer to the estate within the Royal London IB & OB Subfund less future premiums. The basis for performing this calculation is described in more detail under paragraph 5 below.

Prospective B: The WPBR is calculated using a net premium approach, by deducting from the present value of the benefits the present value of the net premiums (restricted to a maximum of the office premiums) with additional loading reserves for expenses in certain cases. Any negative reserves have been eliminated.

The tables below provide information by with-profits fund on the WPBR and FPRL for each class of business identified above (in £m).

### Royal London IB & OB Subfund

Class	Retro. A	Retro. A	Retro. B	Retro. B	Prosp. A	Prosp. A	Total
	WPBR	FPRL	WPBR	FPRL	WPBR	FPRL	
1	211.6	0.5	0.0	0.0	78.7	0.0	290.7
2	423.1	21.1	0.0	0.0	19.9	0.0	464.0
3	9.4	1.0	0.0	0.0	0.0	0.0	10.4
4	414.6	(0.8)	0.0	0.0	0.0	0.0	413.8
5	285.3	261.7	0.0	0.0	114.1	17.2	678.4
6	43.2	38.6	0.0	0.0	0.0	0.0	81.8
7	1,243.7	(15.9)	5.6	(0.3)	0.0	0.0	1,233.1
8	1,850.0	13.3	0.0	0.0	0.0	0.0	1,863.2
10	190.8	114.4	0.0	0.0	0.0	0.0	305.1
<b>Total</b>	<b>4,671.5</b>	<b>433.8</b>	<b>5.6</b>	<b>(0.3)</b>	<b>212.7</b>	<b>17.2</b>	<b>5,340.6</b>

### Refuge Assurance IB Subfund

Class	Retro. A	Retro. A	Retro. B	Retro. B	Prosp. A	Prosp. A	Total
	WPBR	FPRL	WPBR	FPRL	WPBR	FPRL	
1	68.6	72.1	0.0	0.0	86.9	0.0	227.6
10	0.0	1.3	0.0	0.0	0.0	0.0	1.3
<b>Total</b>	<b>68.6</b>	<b>73.4</b>	<b>0.0</b>	<b>0.0</b>	<b>86.9</b>	<b>0.0</b>	<b>228.9</b>

### United Friendly OB Subfund

Class	Retro. A	Retro. A	Retro. B	Retro. B	Prosp. A	Prosp. A	Total
	WPBR	FPRL	WPBR	FPRL	WPBR	FPRL	
2	86.8	16.3	0.0	0.0	19.0	0.0	122.1
5	135.2	68.9	0.0	0.0	0.0	0.0	204.1
6	1,995.9	165.7	0.0	0.0	0.0	0.0	2,161.6
10	0.0	4.5	0.0	0.0	0.0	0.0	4.5
<b>Total</b>	<b>2,217.9</b>	<b>255.3</b>	<b>0.0</b>	<b>0.0</b>	<b>19.0</b>	<b>0.0</b>	<b>2,492.2</b>

### United Friendly IB Subfund

Class	Retro. A	Retro. A	Retro. B	Retro. B	Prosp. A	Prosp. A	Total
	WPBR	FPRL	WPBR	FPRL	WPBR	FPRL	
1	718.5	147.1	0.0	0.0	184.8	0.0	1,050.4
10	0.0	5.4	0.0	0.0	0.0	0.0	5.4
<b>Total</b>	<b>718.5</b>	<b>152.5</b>	<b>0.0</b>	<b>0.0</b>	<b>184.8</b>	<b>0.0</b>	<b>1,055.9</b>

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## Scottish Life Fund

Class	Retro. A	Retro. A	Retro. B	Retro. B	Prosp. A	Prosp. A	Total
	WPBR	FPRL	WPBR	FPRL	WPBR	FPRL	
2	28.6	15.3	8.5	4.5	0.0	0.0	56.9
5	738.1	512.6	41.7	29.0	46.1	0.0	1,367.5
7	82.5	79.4	0.0	0.0	0.0	0.0	161.8
9	360.6	280.6	1.3	1.0	0.0	0.0	643.3
10	0.0	0.0	0.0	13.6	0.0	0.0	13.6
<b>Total</b>	<b>1,209.7</b>	<b>887.7</b>	<b>51.5</b>	<b>48.0</b>	<b>46.1</b>	<b>0.0</b>	<b>2,243.1</b>

## PLAL With-Profits Fund

Class	Retro. A	Retro. A	Retro. B	Retro. B	Prosp. A	Prosp. A	Total
	WPBR	FPRL	WPBR	FPRL	WPBR	FPRL	
4	375.6	18.1	0.0	0.0	0.0	0.0	393.8
7	139.7	7.9	0.0	0.0	0.0	0.0	147.6
8	95.8	4.9	0.0	0.0	0.0	0.0	100.8
10	0.0	0.1	0.0	0.0	0.0	0.0	0.1
<b>Total</b>	<b>611.2</b>	<b>31.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>642.3</b>

## Royal Liver Assurance Fund

Class	Retro. A	Retro. A	Retro. B	Retro. B	Prosp. A	Prosp. A	Total
	WPBR	FPRL	WPBR	FPRL	WPBR	FPRL	
1	96.1	58.3	0.0	0.0	84.3	1.9	240.6
2	139.8	56.6	0.0	0.0	29.2	5.8	231.4
3	3.1	0.9	0.0	0.0	0.0	0.0	4.1
4	194.1	64.9	0.0	0.0	0.0	0.0	259.0
5	45.9	45.7	0.0	0.0	0.0	0.0	91.6
7	118.6	28.1	0.0	0.0	0.0	0.0	146.8
8	247.1	107.1	0.0	0.0	0.0	0.0	354.3
10	4.4	19.4	0.0	0.0	0.0	0.0	23.8
<b>Total</b>	<b>849.2</b>	<b>381.1</b>	<b>0.0</b>	<b>0.0</b>	<b>113.5</b>	<b>7.8</b>	<b>1,351.6</b>

## Royal London (CIS) Ordinary & Industrial Life Fund

Class	Retro. A	Retro. A	Retro. B	Retro. B	Prosp. A	Prosp. A	Prosp. B	Prosp. B	Total
	WPBR	FPRL	WPBR	FPRL	WPBR	FPRL	WPBR	FPRL	
1	251.7	258.4	0.0	0.0	108.5	112.1	0.0	0.0	730.6
2	603.4	177.6	0.0	0.0	191.5	44.1	0.0	0.0	1,016.6
4	0.0	0.0	2,183.5	483.1	0.0	0.0	0.0	0.0	2,666.6
5	3,925.8	1,545.4	0.0	0.0	0.0	0.0	0.0	0.0	5,471.2
6	4,148.9	1,956.6	0.0	0.0	0.0	0.0	0.0	0.0	6,105.5
10	0.0	0.0	0.0	0.0	0.0	0.0	22.8	5.3	28.1
<b>Total</b>	<b>8,929.9</b>	<b>3,938.0</b>	<b>2,183.5</b>	<b>483.1</b>	<b>299.9</b>	<b>156.2</b>	<b>22.8</b>	<b>5.3</b>	<b>16,018.7</b>

## Royal London (CIS) With-Profits Stakeholder Fund

Class	Retro. A	Retro. A	Retro. B	Retro. B	Retro. C	Retro. C	Prosp. A	Prosp. A	Total
	WPBR	FPRL	WPBR	FPRL	WPBR	FPRL	WPBR	FPRL	
7	0.0	0.0	0.0	0.0	295.4	0.0	0.0	0.0	295.4
8	0.0	0.0	0.0	0.0	25.0	0.0	0.0	0.0	25.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>320.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>320.4</b>

## Royal London (CIS) With-Profits Pension Fund

Class	Retro. A	Retro. A	Retro. B	Retro. B	Retro. C	Retro. C	Prosp. A	Prosp. A	Total
	WPBR	FPRL	WPBR	FPRL	WPBR	FPRL	WPBR	FPRL	
7	0.0	0.0	0.0	0.0	3.6	0.0	0.0	0.0	3.6
8	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.6
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.2</b>

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### Notes:

- Any other long-term liabilities in Line L47 have been allocated in aggregate to Class 10. These are described in more detail in paragraph 8 below.
- Under the prospective method, for non Royal Liver Assurance Funds & non Royal London (CIS) Funds, all policy liabilities excluding the costs of financial options are captured within the WPBR. For the Royal Liver Assurance Fund all policy liabilities excluding the cost of guarantees and cost of past surplus attributed to WPBR are captured within the prospective WPBR. For the Royal London (CIS) Funds, all policy liabilities excluding the cost of guarantees and the cost of smoothing, are captured within the prospective WPBR.

### 3. (2)

Not applicable.

### 3. (3)

Not applicable.

### 3. (4)

Not applicable.

### With-Profits Benefits Reserve (WPBR) – Retrospective Method

#### 4. (1) (a)&(b)

All WPBRs calculated using a retrospective method have been calculated on an individual basis.

#### 4. (1) (c)

Not applicable.

#### 4. (2) (a)

There has been a change to the valuation method for class 1 - IB whole of life policies within the Royal London (CIS) fund. The WPBR for policyholders under 85 years of age is now calculated using a retrospective method. The WPBR for policyholders over 85 is still calculated using a prospective method.

WPBRs relating to class 1 IB business in the Royal London IB & OB, United Friendly IB, Refuge Assurance IB, Royal Liver Assurance and Royal London (CIS) Ordinary & Industrial Life funds have been adjusted where we believe policyholders are likely to be deceased and claims are unlikely to be made.

#### 4. (2) (b)

Not applicable.

#### 4. (3) (a)

Acquisition and maintenance expenses are charged to the with-profits funds, based on an agreement with Royal London Management Services Limited (“RLMSL”) which is agreed annually in advance. The with-profits funds pay fees to RLMSL in line with the agreement, which for acquired business imposes limits by which the fees may increase, and RLMSL incurs all expenses.

Expense investigations were performed during 2015, with the results of this investigation being taken into account when setting service fees for 2015. These replace the results from the previous expense investigations that were performed in 2014.

Investment expenses are charged to each with-profits fund, based on an Investment Management Agreement with Royal London Asset Management (“RLAM”), a wholly owned subsidiary of the Society. This agreement is subject to periodic review.

#### 4. (3) (b)

Acquisition and maintenance expense investigations are performed at least annually to confirm the adequacy of the maintenance fees charged by RLMSL, based on budgeted expenditure for the following year. Maintenance expenses charged to acquired UAG and Scottish Life with-profits business are set by reference to a formulaic approach documented in the respective Schemes. Maintenance expenses charged to the Royal Liver Assurance Fund and all Royal London (CIS) Funds are based on the appropriate rate card set out in the instrument of transfer.

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### 4. (3) (c)

The table below analyses expenses reported in Form 43 lines L41 to L45 inclusive for 2015 (in £m):

With-profits fund	Acquisition charged to WPBR	Maintenance charged to WPBR	Other not charged to WPBR	Total
Royal London IB & OB	1.7	8.5	409.8	420.0
Refuge Assurance IB	0.0	2.2	1.7	3.9
United Friendly OB	0.0	9.3	0.8	10.2
United Friendly IB	0.0	7.3	0.7	8.0
Scottish Life	0.0	7.5	0.0	7.5
PLAL With-Profits	0.0	0.2	0.0	0.2
Royal Liver Assurance	0.0	7.6	27.5	35.1
Royal London (CIS) Ordinary & Industrial Life	2.1	69.5	49.3	120.9
Royal London (CIS) With-Profits Stakeholder	0.0	0.2	0.0	0.2
Royal London (CIS) With-Profits Pension	0.1	0.5	0.0	0.5
<b>Total</b>	<b>3.9</b>	<b>112.8</b>	<b>489.8</b>	<b>606.5</b>

(i) For Former Royal Liver Assurance business, initial expenses on the unitised with-profits business are recouped via annual management charges.

(ii) Maintenance expenses charged to the WPBR cover fees payable to RLMSL associated with administering the long term business plus investment expenses payable to RLAM. This covers all with-profits business with the exception of those classes described further in paragraph 4.(3)(c)(iv) below.

(iii) For all non-Royal London (CIS) with-profits business where fees payable to RLMSL are charged to the WPBR, acquisition and maintenance fees are charged on a contract by contract basis for individual business, and on a per scheme basis for Group pensions business. The RLMSL agreement specifies for each product annual expense allowances in the form of amounts per policy, percentages of annual or single premium (as appropriate), percentages of WPBR and/or amounts per claim. Additionally investment expenses are charged as a percentage of the WPBR, where the percentage varies by category of asset as described in the UAG, Scottish Life and Royal Liver Assurance Schemes.

For Royal London (CIS) with-profits business, expenses were charged to the with-profits benefits reserve for traditional with-profits policies by way of an average per policy expense charge deducted from all contracts, plus an investment management expense deducted as a proportion of investment return. Separate average amounts were applied to Ordinary and Industrial Branch policies and to premium-paying and not premium-paying policies.

(iv) Expenses charged to the with-profits funds, other than to the WPBR relate to the following items:

- non participating business written in the with-profits funds, covering both in force business and new pensions and protection business written in the Royal London IB & OB Subfund. The Scottish Life and Royal Liver Assurance Schemes allows certain new business to be written within the Scottish Life Fund and Royal Liver Assurance Fund;
- under the Scottish Life Scheme, fees payable to RLMSL for certain lines of acquired with-profits business, whose WPBR are held within the Scottish Life Fund, are debited from the Royal London IB & OB Subfund. The realistic value of these future payments are held within other long-term liabilities as described in paragraph 8 below. In turn the subfund is credited with those charges debited from these policies' WPBR as described in paragraph 4.(5) below;
- under the Royal Liver Assurance Scheme and Royal London (CIS) Scheme, fees are payable to the Royal London IB & OB Subfund based on a rate card that was agreed prior to transfer. The rate card specifies which costs are covered by the fees and the level of fees for each product. All business in the Royal Liver Assurance Fund and the Royal London (CIS) Funds is covered by the rate card. Royal London IB & OB Subfund incurs fees payable to RLMSL. The value of future fees payable to RLMSL are offset against the value of future income and the total is reported in Form 19 line 22.
- all new Intermediary with-profits business written following the Scottish Life acquisition is written directly in the Royal London IB & OB Subfund. The relevant subfund pays the commission and acquisition and maintenance fees to RLMSL. As for the acquired Scottish Life business described above, the WPBR for these classes of business are debited with charges as described in paragraph 4.(5) below;
- balancing payments, which may be negative, are generally payable by the Royal London IB & OB Subfund at the end of the year to ensure that the expenses incurred by RLMSL do not exceed the income in the form of fees payable by the Society. For 2015, the RLMSL expenses exceeded the income received and so a balancing payment was made from the Royal London IB & OB Subfund; and
- additional investment expenses may be charged directly to the with-profits fund for items such as property costs, legal fees, management of the excess assets in each fund and the costs of buying and selling hedging arrangements. These items are not charged to the WPBR.

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### 4. (4)

For with-profits business written in the Scottish Life Fund, charges in respect of Guaranteed Annuity Rates are currently deducted from each policy's WPBR. The current rates are 0.49% pa for all business issued prior to 1998 and 0.16% pa for business issued from 1998 to 11 September 2000. These rates are unchanged from 2014.

Additionally under the terms of the Scottish Life Scheme, the WPBR is credited with a "demutualisation enhancement" to distribute the estate over the lifetime of the policies.

In the Royal Liver Assurance Fund and Royal London (CIS) Ordinary & Industrial Life Fund, the following table summarises the charges for guarantees that are deducted from the WPBR:

#### Charge for guarantees

Product	Charge for guarantees 2015	Charge for guarantees 2014
Royal Liver Assurance Unitised with-profits business (excluding Caledonian With-Profits Bond)	0.25%	0.25%
Royal Liver Assurance Caledonian With-Profits Bond	0.50%	0.50%
Royal Liver Assurance contracts transferred from Friends Provident (pre 2000 business)	0.50%	0.50%
Royal Liver Assurance contracts transferred from Irish Life	0.00%	0.00%
Royal Liver Assurance IB, OB and Caledonian conventional with-profits business and post 2000 Friends Provident	1.50%	1.50%
Royal London (CIS) traditional with-profits contracts issued on or before 31/12/2002	0.50%	0.50%

There are currently no other significant charges deducted from asset shares to cover the costs of guarantees or the use of capital.

### 4. (5)

Charges are deducted from the WPBR for non insurance risk on the following types of with-profits contracts to cover expenses (both acquisition and maintenance including commission) and to provide a profit loading:

With-profits fund	Contracts affected
Royal London IB & OB	Business written post 30/6/2001 under the Scottish Life marketing brand and Refuge Assurance OB and Royal London unitised with-profits pension business.
Scottish Life	All acquired unitised with-profits contracts, the Old Talisman range of conventional with-profits policies and all Deposit Administration (DA) business.
PLAL With-Profits	All acquired unitised with-profits contracts.
Royal Liver Assurance	All acquired unitised with-profits contracts.
Royal London (CIS) Ordinary & Industrial Life	All acquired unitised with-profits contracts including Funeral Investment Plan and Funeral Pre-payment Plan.

The table below gives an estimate of the charges deducted from the WPBR for these lines of business for 2015 (in £m):

With-profits fund	Total Charges (Non Insurance Risk)
Royal London IB & OB	5.4
Scottish Life	9.9
PLAL With-Profits	6.4
Royal Liver Assurance	8.6
Royal London (CIS) Ordinary & Industrial Life	16.6
Royal London (CIS) With-Profits Stakeholder	3.2
Royal London (CIS) With-Profits Pension	0.1

Following the merger of the Refuge Assurance OB Fund into the Royal London IB & OB Subfund the value of future 1/9<sup>th</sup> cost of bonus transfers on acquired Refuge Assurance OB business is included within Line 36 of Form 19.

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### 4. (6)

The table below shows the estimated ratio of claims paid to the sum of WPBR adjusted for miscellaneous surpluses and/or deficits, for each of the last three calendar years:

<b>With-profits fund</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Royal London IB & OB	98%	94%	94%
Refuge Assurance IB	99%	100%	98%
United Friendly OB	101%	99%	98%
United Friendly IB	112%	107%	103%
Scottish Life	108%	113%	113%
PLAL With-Profits	96%	99%	101%
Royal Liver Assurance	102%	102%	99%
Royal London (CIS) Ordinary & Industrial Life	100%	100%	101%
Royal London (CIS) With-Profits Stakeholder	97%	100%	100%
Royal London (CIS) With-Profits Pension	96%	99%	99%

### 4. (7)

A summary of the investment returns credited to the WPBR for 2015 is given in the table below:

<b>With-profits fund</b>	<b>Gross Return Average %</b>	<b>Gross Return HITM policies %</b>	<b>Gross Return Lowest EBR %</b>	<b>Gross Return Highest EBR %</b>
Royal London IB & OB	4.10	0.76	2.33	4.81
Refuge Assurance IB	1.93	n/a	1.80	2.98
United Friendly IB	3.97	n/a	2.30	5.00
United Friendly OB	3.44	0.73	2.89	3.61
Scottish Life – Other than DA Business	1.82	n/a	n/a	n/a
Scottish Life – DA Business	1.24	n/a	n/a	n/a
PLAL With-Profits	1.13	n/a	n/a	n/a
Royal Liver Assurance	5.05	n/a	n/a	n/a
Royal London (CIS) Ordinary & Industrial Life - Section 226 deferred annuities	6.70	n/a	n/a	n/a
Royal London (CIS) Ordinary & Industrial Life - Traditional With-Profits	4.43	n/a	n/a	n/a
Royal London (CIS) Ordinary & Industrial Life) - Accumulating With-Profits	5.50	n/a	n/a	n/a

In the Royal London IB & OB, Refuge Assurance IB, United Friendly IB and United Friendly OB Subfunds the proportions of assets invested in equities and properties depends on the outstanding term of the policy, and on whether the class of business that the policy belongs to has guarantees that are heavily in the money (HITM i.e. where guarantees significantly exceed projected with-profits benefits reserves). Hence the actual investment return credited to an individual policy will differ from the rates in the gross return average column above.

Heavily in the money policies have a zero equity backing ratio (EBR). Gross investment returns credited to such policies in the Royal London IB & OB and United Friendly OB Subfunds are shown in the table above. In addition the range of investment returns for non heavily in the money policies is also shown. This is based on the lowest and highest equity backing ratios for policies in each fund.

There are different assets mixes backing the WPBR for Deposit Administration (DA) and Other than DA business within the Scottish Life Fund. In accordance with the PPFM the assumed asset allocation backing each individual with profits policy in the Scottish Life Fund depends on the relationship between the WPBR and the attaching guaranteed benefits. Within this framework the total asset return stated in the table above is allocated to policies.

All with-profits contracts within the Royal Liver Assurance Fund are attributed the same basic investment return, before tax and expenses are taken in to account. This return applied for the period 31 December 2014 to 31 December 2015 was 5.05% gross.

The assets backing the WPBR within the Royal London (CIS) Ordinary & Industrial Life Fund are allocated separately to three different groups of with-profits policies: Section 226 deferred annuities, traditional with-profits policies (other than Section 226 deferred annuities) and accumulating with-profits policies.

# VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## With-profits benefit reserve – Prospective Method

### 5. (1) (a)

The discount rate is given in the table below:

With-profits fund	Gross %	Net %
Royal London IB & OB	2.40	2.05
Refuge Assurance IB	2.40	2.05
United Friendly IB	2.40	2.05
United Friendly OB	2.40	2.05
Scottish Life	2.40	2.05
Royal Liver Assurance UK	2.40	n/a
Royal Liver Assurance ROI	1.30	n/a
Royal London (CIS) – Ordinary & Industrial Life	2.40	2.10

The pre-tax discount rate return is set equal to the annualised return on the 15 year gilt at the valuation date. The tax rate used is derived from those assumed for each individual asset class applied to the asset mix described in paragraph 6.(5) below.

For Royal Liver Assurance business no net of tax discount rates is specified. Taxable business within the Royal Liver Assurance Fund is currently valued using gross assumptions reflecting the latest assessment of the future tax position of the fund.

### 5. (1) (b)

The investment return is set equal to the discount rate described above and consequently no risk adjustments are required.

### 5. (1) (c)

The rate of expense inflation for all business except Caledonian and Royal London (CIS) business, is determined as projected UK RPI plus 1.00%, with UK RPI calculated as the difference between the gross redemption yield on the 15 year UK gilts and the real yield on UK index-linked gilts. As at the calculation date, the expense inflation assumption for all business excluding Caledonian and Royal London (CIS) was 4.0%.

The rate of expense inflation assumed to apply to Caledonian business is based on an estimate of the Irish Consumer Prices Index plus 1%. As at the calculation date the expense inflation assumption for Caledonian business was 2.50%.

The rate of expense inflation assumed to apply to Royal London (CIS) business is determined as projected UK RPI plus 0.6%, with UK RPI calculated as the difference between nominal and real yield curves. The real yield curve is calibrated to index linked gilts.

### 5. (1) (d)

A summary of key projected bonus assumptions are given in the tables below:

#### Royal London IB & OB Subfund

Product Type	Annual Bonus	Final Bonus
RL IB Whole Life	0.25% pa simple	Current scale introduced for claims on 1 January 2016 retained.
RA OB Pension Lapsed	0.25% pa compound	Current scale introduced for claims on 1 January 2016 retained.

#### Refuge Assurance IB Subfund

Product Type	Annual Bonus	Final Bonus
RA IB Whole Life	0.25% pa compound	Current scale introduced for claims on 1 January 2016 retained.

#### United Friendly OB Subfund

Product Type	Annual Bonus	Final Bonus
UF OB Whole Life and Endowments	0% pa simple / compound depending on product type, except Table I and Table E where 2% pa compound is used. (or 1% pa / 1.5% pa where a guarantee applies.)	Current scale introduced for claims on 1 January 2016 retained.

# VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## United Friendly IB Subfund

Product Type	Annual Bonus	Final Bonus
UF IB Whole Life	1.5% pa simple except Table 5 and Table 7 where 0.25% pa is used	Current scale introduced for claims on 1 January 2016 retained.

## Scottish Life Fund

Product Type	Annual Bonus	Final Bonus
All Conventional WP	0.10% pa simple/compound depending on product type	No explicit final bonus, allowance made by reference to proportion payable on similar policies.

## Royal Liver Assurance Fund

Product Type	Annual Bonus	Final Bonus
Ex Irish Life Whole Life and Endowments	4.0% pa compound for policies sold before 1965, 2.5% pa compound for policies sold from 1965 to 1980 and 1.5% pa compound for policies sold from 1980.	Current scale introduced for claims on 1 January 2016 retained.
Liver and Ex Friends Provident Conventional WP	30 x weekly premium for FP Table 10 sold before 1979, 41 x weekly premium for FP Tables 1, 2 and 3 sold before 1979 and 0% pa for all other Liver conventional WP	Current scale introduced for claims on 1 January 2016 retained.

## Royal London (CIS) Ordinary & Industrial Life Fund

Final bonuses are based on future supportable levels calculated from deterministic projections of with-profits endowment policies for OB and with-profits whole of life policies for IB using the basis in the previous sections. Sample rates of final bonus as a percentage of sum assured are as follows:

		Year			
Product	Term	2015	2025	2035	2045
OB	10	6.5			
	15	23.0	0.0		
	20	20.7	9.7		
	25	24.1	17.4	0.0	
	30	48.6	15.0	3.2	
	35	155.7	22.0	9.7	0.0
IB without periodical endowment	40	336.6	62.9	4.1	0.0
	10	0.0			
	15	0.0	0.0		
	20	1.2	0.0		
	25	33.6	5.7	0.0	
	30	90.4	14.2	0.0	
IB with periodical endowment	35	214.2	50.7	18.7	3.0
	40	408.6	114.8	28.2	3.0
	10	0.0			
	15	0.0	0.0		
	20	0.0	0.0		
	25	0.0	0.0	0.0	
	30	0.0	0.0	0.0	
	35	0.0	0.0	0.0	0.0
	40	724.7	0.0	0.0	0.0

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### 5. (1) (e)

Expenses are projected in line with the RLMSL agreement described in paragraph 4 above, assumed to inflate at the rate described in 5.(1) (c). All monetary amounts in the following tables are given in 2016 terms. Key assumptions are:

#### Royal London IB & OB Subfund

Product Type	Expense Assumption
RL IB Whole Life	£9.90 per policy plus 0.096% of reserve in 2016 £11.02 per policy plus 0.096% of reserve in 2017 £12.52 per policy plus 0.096% of reserve in 2018 £14.08 per policy plus 0.096% of reserve in 2019 £15.83 per policy plus 0.096% of reserve from 2020 onwards
RA OB RP Pension Lapsed	£9.35 per policy plus 0.077% of reserve for 2016 £11.40 per policy plus 0.077% of reserve from 2017 to 2019 inclusive £12.09 per policy plus 0.077% of reserve from 2020 onwards

#### Refuge Assurance IB Subfund

Product Type	Expense Assumption
Whole Life	£7.06 per policy plus 0.062% of reserve for 2016 £9.88 per policy plus 0.062% of reserve from 2017 to 2019 inclusive £14.35 per policy plus 0.062% of reserve from 2020 onwards

#### United Friendly OB Subfund

Product Type	Expense Assumption
Whole Life and Endowments	£9.35 per policy plus 0.077% of reserve for 2016 £14.75 per policy plus 0.077% of reserve from 2017 to 2019 inclusive £19.67 per policy plus 0.077% of reserve from 2020 onwards

#### United Friendly IB Subfund

Product Type	Expense Assumption
Whole Life	£6.78 per policy plus 0.068% of reserve for 2016 £9.76 per policy plus 0.068% of reserve from 2017 to 2019 inclusive £14.27 per policy plus 0.068% of reserve from 2020 onwards

#### Scottish Life Fund

Product Type	Expense Assumption
SL Pensions	£42.59 per policy plus 0.0765% of reserve from 2016 onwards

#### Royal Liver Assurance Fund

Product Type	Expense Assumption
Caledonian	£42.58 per policy plus 0.26% of reserve from 2016 to 2021 inclusive £49.97 per policy plus 0.26% of reserve from 2022 onwards
IB Conventional	£10.69 per policy plus 0.26% of reserve from 2016 to 2021 inclusive £12.26 per policy plus 0.26% of reserve from 2022 onwards
OB Conventional	£48.30 per policy plus 0.26% of reserve from 2016 to 2021 inclusive £46.55 per policy plus 0.26% of reserve from 2022 onwards

#### Royal London (CIS) Ordinary & Industrial Life Fund

Product Type	Expense Assumption
OB Whole Life (premium paying)	£19.86 per policy plus 0.1836% of reserve
OB Whole Life (not premium paying)	£17.36 per policy plus 0.1836% of reserve
IB Whole Life (premium paying)	£13.66 per policy plus 0.1836% of reserve
IB Whole Life (not premium paying)	£11.56 per policy plus 0.1836% of reserve

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### 5. (1) (f)

A summary of key persistency assumptions are given in the table below (showing annual lapse rates). For lines of business where the last entry date means that there is no business in force with a particular duration, no data is provided:

#### Royal London IB & OB Subfund

Product Type	Duration 5	Duration 10	Duration 15	Duration 20	Duration 25	Duration 30+
RL IB Whole Life	n/a	n/a	0.48%	0.95%	1.43%	0.95%
RA OB RP Pen Lapsed	n/a	n/a	n/a	n/a	0.48%	0.48%

#### Refuge Assurance IB Subfund

Product Type	Duration 5	Duration 10	Duration 15	Duration 20	Duration 25	Duration 30+
Whole Life	n/a	n/a	n/a	0.95%	1.43%	0.95%

#### United Friendly OB Subfund

Product Type	Duration 5	Duration 10	Duration 15	Duration 20	Duration 25	Duration 30+
Whole Life and Endowment	n/a	n/a	n/a	1.43%	1.43%	0.95%

#### United Friendly IB Subfund

Product Type	Duration 5	Duration 10	Duration 15	Duration 20	Duration 25	Duration 30+
Whole Life	n/a	n/a	n/a	0.95%	0.95%	0.95%

#### Royal Liver Assurance Fund

Product Type	Duration 5	Duration 10	Duration 15	Duration 20	Duration 25	Duration 30+
RLA OB Retirement Annuity, Whole of Life and Endowment	n/a	4.28%	2.85%	2.38%	1.90%	0.95%
RLA IB Whole Life and Endowment	n/a	n/a	2.85%	1.43%	0.95%	0.95%
Ex Friends Provident Whole of Life	n/a	n/a	n/a	0.48%	0.48%	0.24%
Ex Irish Life Whole of Life	n/a	n/a	1.90%	1.90%	1.43%	0.95%
Caledonian Endowment, Whole of Life and Pension	n/a	n/a	4.75%	4.75%	4.75%	4.75%

**Royal London (CIS) Ordinary & Industrial Life Fund** – No allowance for future policy lapses has been made.

### 5. (2)

Not applicable

#### Costs of Guarantees, options and smoothing

### 6. (1)

Not applicable

### 6. (2) (a)

All business where the WPBR has been calculated using a retrospective method has valued its costs of guarantees, smoothing and options using a market consistent stochastic method.

### 6. (2) (b) (i) & (ii)

All costs have been calculated using grouped model points.

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### 6. (2) (b) (iii)

The market consistent stochastic model contains a number of products which calculate the market consistent costs of guarantees, smoothing and options. Each product models with-profits contracts with similar policy benefit characteristics.

The table below summarises the products and gives the number of policies and model points:

With-profits fund	Bonus	Class	Issued	Contracts	Model Points
Royal London IB & OB Subfund	C	1	Pre 2001	172,368	295
	C	2	Pre 2001	23,746	777
	C	3	Pre 2001	1,550	34
	C	5	Pre 2001	34,032	711
	C	6	Pre 2001	3,588	157
	A	4	Pre 2001	9,465	115
	A	4	Post 2000	4,919	124
	A	7	Pre 2001	65,470	510
	A	7	Post 6/2001	12,938	2,523
	A	8	Pre 2001	89,575	991
	A	10	Post 1998	13,591	110
	A	10	Pre 2001	8,703	148
Refuge Assurance IB Subfund	C	1	Pre 2000	29,674	163
United Friendly OB Subfund	C	2	Pre 1998	15,294	1,110
	C	5	Pre 1998	31,713	191
	C	6	Pre 1998	115,346	1,939
United Friendly IB Subfund	C	1	Pre 1998	412,745	1,223
Scottish Life Fund	C	2	Pre 7/2001	1,713	217
	A	5	Pre 7/2001	31,990	3,435
	A	7	Pre 7/2001	8,617	131
	D	9	Pre 7/2001	33,745	192
PLAL With-Profits Fund	A	4	Post 1/1993	42,491	205
	A	7	Post 1/1993	31,806	354
	A	8	Post 3/1992	12,629	201
Royal Liver Assurance Fund	C	1	Pre 8/2005	57,004	1,524
	C	2	Pre 7/2010	19,631	3,465
	A	4	Pre 7/2010	6,523	717
	C	5	Pre 7/2010	2,723	1,444
	A	8	Pre 7/2010	44,233	534
Royal London (CIS) Ordinary & Industrial Life	C	1	Pre 2003	998,947	703
	C	2	Pre 2012	181,102	698
	A	4	Pre 2015	383,960	456
	C	5	Pre 2002	438,297	11,360
	C	6	Pre 2002	3,236,129	6,427
<b>TOTAL</b>				<b>6,576,257</b>	<b>43,184</b>

Bonus Method

A Accumulating (unitised) with-profits

C Conventional with-profits

D Deposit administration

Class follows those described in paragraph 3.(1)(a) above.

#### Grouping of Contracts

The basis used to group policies for the purpose of calculating the cost of guarantees, smoothing and options is described below for Royal London IB & OB, PLAL, acquired UAG, Royal Liver Assurance and Scottish Life businesses:

Stage 1:

The in-force business was categorised by with-profits fund into:

- Product type - life savings, whole of life contracts and pensions business;
- Bonus declaration method – conventional with-profits, accumulating with-profits or deposit administration;
- Premium paying mode – regular or single;
- Pension benefit structure – funding for an annuity or funding for cash at retirement;

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

These contract groupings allow for benefit characteristics and options that would require separate quantification under a market consistent valuation method. For example, pension contracts may or may not have been written with a guaranteed annuity option or savings contracts may have been written with a guaranteed minimum bonus rate prior to a certain date.

### Stage 2:

Grouping criteria within each product are chosen to ensure that the most important features of the projection of the in-force business are not lost. The key grouping criteria are:

- Different bonus series within stochastic product
- Policy term
- Year of maturity or year of entry
- Age group
- Guaranteed annuity rate attaching and gender of policyholder (for the most significant business lines)

Additional grouping criteria are included, where relevant, to separate policies with guarantees projected to exceed WPBR on maturity from those expected to fall below it.

### Stage 3:

Grouping policy term and maturity date into monthly intervals would produce too many model points and lead to serious degradation in run time for little change in accuracy of projection. Expanding these grouping intervals is the principal tool for reducing the number of model points and improving run times.

The paragraphs below describe the approach taken for key product categories.

#### (a) Endowments:

- Policy term is generally grouped in 5 year bands, centered around the quinquennial terms (e.g. term 15 covers terms 13 – 17 inclusive), to which the majority of the business has been sold.
- Maturity year needs to capture the projected run off profile of the business. Typically grouping will be by individual years of maturity for a certain number of years, though this will depend upon the projected development of claim outgo and particularly projected guarantee and smoothing costs. Thereafter, grouping will typically be triennial.

#### (b) Pensions:

- Policy term is generally grouped in 3 year bands, centered around a central year (e.g. term 10 covers terms 9 – 11 inclusive).
- Maturity year needs to capture the projected run off profile of the business. Typically claim outgo builds up over the next decade and peaks in 20 to 30 years' time. The average duration of the business varies by product line and originating Company. Given the longer term nature of this business, grouping will be annual at peak periods of claim outgo, otherwise triennial grouping is typically used.
- Policies with and without GARs are grouped separately. For policies with GARs, retirement age is retained in the grouping to ensure that the correct GAR is captured.

In addition the relationship between guaranteed benefits and asset share is allowed for to ensure that we are grouping policies with a similar likelihood of the guarantees biting. This is done for both Life and Pensions business.

The basis used to group policies for the purpose of calculating the cost of guarantees, smoothing and options is described below for the Royal London (CIS) Ordinary and Industrial Life Fund:

For conventional with-profits business, data is split by:

- Product type (Ordinary branch, Industrial branch)
- Product class (life endowment, whole of life, conventional pensions)
- Endowment and whole of life products are grouped further between policies of a similar nature, term and size.
- Conventional Pensions are grouped firstly by product type, premium payment type (regular or single) and GAO eligibility, and then grouped further by policies of a similar nature, term and size.

For accumulating with-profits business, data is split by:

- Product class (life savings bond, ISA and non-ISA savings, Funeral Investment and pre-payment plan)
- Premium payment type (regular or single)
- Policies are grouped further between policies of a similar nature and size.

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Validation of Grouping

During the valuation process, key data items such as policy count, current guaranteed benefits, premiums and asset share are reconciled from individual policy data through to the stochastic model results. This gives confidence that the grouped model points correctly capture the key policy characteristics.

Outwith the valuation reporting process, an analysis is performed which involves generating key stochastic model outputs using ungrouped model points and comparing to equivalent results produced using grouped model points on a full set of economic scenarios. The key stochastic model outputs are GAR costs and guarantee costs. The aim is for the discrepancy between ungrouped and grouped model point stochastic results to be less than 3% for larger with-profit funds and less than 5% for smaller with-profit funds. Individual products within a with-profits fund may in isolation exceed this tolerance provided that the fund level tolerance is not breached. Where the discrepancy exceeds these tolerance limits an exercise is undertaken to refine the grouping rules so that the discrepancy drops back within tolerance. Any changes to the grouping rules will then be taken forward and used in the next valuation reporting process.

To validate the grouping rules for Royal London (CIS), the cost of guarantees, smoothing and options calculated using grouped data are compared against the results calculated within the stochastic model using 'ungrouped' data. The 'ungrouped' data uses over 3 million model points that have been demonstrated to be representative of the whole portfolio by reproduction of statutory reserves calculated on an individual policy basis. This validation is outwith the valuation process.

#### **6. (2) (c)**

For certain contract types where the WPBR falls below a de minimis level, the costs of guarantees, smoothing and options are not calculated directly. Instead, the stochastic results of the closest available stochastic product are scaled up based on the ratio of the unmodelled WPBR to modelled WPBR.

This covers certain small lines of RP Life periodical endowments, SP UWP bonds, RP UWP savings plan, UWP and conventional pensions, UWP ISA and the unmodelled business calculated using Retrospective method B described above.

#### **6. (3)**

Not applicable

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### 6. (4) (a) (i)

A description is given below for each of the costs of guarantees, smoothing and options separately:

#### Guarantees

Details of material guarantee costs and an indication of the range of guarantee costs as a % of WPBR are given in the table below:

Guarantee Offered	Class	Guarantee as % of WPBR	
		Life	Pension
CWP Business - maturity values being subject to the minimum of sum assured plus guaranteed benefits. Death benefits in excess of asset share are charged to the WPBR of remaining policies. Surrender values, unless guaranteed contractually, are treated as being fully discretionary and no guarantee cost is calculated. For Royal Liver Assurance business some surrender benefits are based on formula based surrender scales which may exceed the WPBR.	1, 2, 3, 5 and 6	0.0% - 65.0%	0% - 159.9%
DA Business – maturity value being face value of units.	9	N/A	0.2% - 0.5%
UWP Life Bonds sold in the UK (excluding PLAL and Royal Liver Assurance) - guarantees relate to contractual instances when Market Value Adjusters (MVA's) cannot be imposed. This includes regular withdrawals under a contractual maximum of the original premium paid and policy anniversaries when surrenders are MVA free. MVA free surrender dates were removed from some contracts issued after 31/3/2001. UWP Life Bonds sold in Germany – policyholders have the option of electing a capital guarantee after either 12, 15 or 20 years, for which they pay an additional charge. If the guarantee is selected then the payout on surrender at the selected point in time is guaranteed to be not less than a fixed percentage of the amount invested. This product was introduced in 2007. UWP Life Bonds sold in Ireland (Royal Liver Assurance) – guarantees relate to contractual instances when Market Value Adjusters (MVA's) cannot be imposed. This includes regular withdrawals and policy anniversaries when surrenders are MVA free. UWP Life Bonds sold in the UK (PLAL and Royal Liver Assurance) - guarantees relate to contractual instances when Market Value Adjusters (MVA's) cannot be imposed. This includes regular withdrawals and policy anniversaries when surrenders are MVA free. MVA free surrender dates were removed from all PLAL contracts issued after 31/10/2000. UWP Life Bonds sold in the UK (Royal London (CIS) Ordinary & Industrial Life Fund) – there is a guarantee that no Market Value Reduction (MVR) will be applied to premiums paid into accumulating with-profits policies prior to 1 April 2000, ten years or more after the date of premium payment.	4	0.0% - 1.8%	0.0%
UWP Individual Pensions - MVA free dates apply on the retirement date chosen at outset. For some contracts MVA free dates also apply during windows prior to the maturity date.	7 and 8	N/A	0% - 0.8%
UWP and DA Group Pensions – exits prior to retirement are free of MVAs where the exit does not form part of a mass-discontinuance of a pension scheme.	7, 8 and 9	N/A	0% - 0.8%

The majority of life endowment business maturing over the next few years has guarantees that are in the money either because no final bonuses are currently being paid or the guaranteed benefits exceed the WPBR. The extent to which the guarantee is in the money depends on the term of the contract and the originating company.

Longer dated policies, i.e. both life policies and pension policies maturing in more than five years' time, exhibit greater variability in the extent to which the guarantee is in the money. The key determinant here is the originating company, with outstanding term also being relevant.

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Options

These relate primarily to Guaranteed Annuity Rates (GARs) offered on pensions contracts. Details of material GARs and details of the range of GAR costs as a % of WPBR are given in the table below:

Guarantee Offered	Business Class	GAR cost as % of WPBR
Deferred annuity contracts where there is a minimum annuity guaranteed at retirement subject to a guaranteed conversion factor to produce a "cash equivalent" value to which current annuity rates are applied to produce the annuity payable, if greater than the minimum.	5 (Refuge Assurance OB pre 1993 and Royal Liver Assurance (Caledonian) deferred annuity contracts)	11% - 94%
Fund for cash contracts where there is a minimum conversion rate per unit of maturity value into an annuity for comparison with current market conversion rates.	5 (Refuge Assurance OB Post 1992, Royal Liver Assurance retirement annuity contracts and Scottish Life only), 6 (Refuge Assurance OB and Scottish Life only), 8 (Royal Liver Assurance Overseas UWP pensions), 5 and 6 (Royal London (CIS) Personal Pension contracts pre 1999)	
DA Business – certain policies in this class attract Guaranteed Minimum Pensions as a result of contracting out of SERPS/S2P and these have been modelled explicitly using a market consistent approach.	9	259%

The table below includes the guaranteed minimum annuity rate basis for the key assumptions of interest rates and mortality:

Business Class	Interest Rate	Mortality Basis
Refuge Assurance OB (pre 9/92)	7.00%	a(55) M/F Select
Refuge Assurance OB (post 8/92)	5.00%	IM/F80(C=2010) Ultimate
Scottish Life	4.50%	PA90M/F-2 Ultimate

Given current levels of interest rates and projected mortality experience compared to that priced within the original mortality guarantees, all material GAR options are currently "in the money".

The table below includes the annuity amount per £1,000 sum assured for policies with a guaranteed annuity rate within the Royal London (CIS) Ordinary and Industrial life fund:

Sex	Product	Escalation	Retirement Age = 60	Retirement Age = 65	Retirement Age = 70
Male	Personal Pensions (pre 3/1999)	0%	70	80	95
Male	Appropriate Personal Pension (pre 4/1997)	3%	40	50	n/a
Male	Appropriate Personal Pension (post 4/1997)	5%	28	35	n/a
Female	Personal Pensions (pre 3/1999)	0%	60	70	80
Female	Appropriate Personal Pension (pre 4/1997)	3%	40	50	n/a
Female	Appropriate Personal Pension (post 4/1997)	5%	28	35	n/a

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### Smoothing

This comprises two elements, covering:

- a “glidepath” cost being the cost of moving to target payout ratios consistent with the PPFMs; and
- natural variability in the investment returns earned on the assets supporting the business.

#### 6. (4) (a)

(ii) The asset model is proprietary software developed by a third party provider (Moody’s Analytics). Calibrations are provided by the third party to which the individual characteristics of the subfund are applied. The key elements of the nature and input calibration parameters within the asset model (Economic Scenario Generator “ESG”) are:

- the GBP interest rate model used is a monthly time-step version of the LIBOR Market Model Plus (LMM+), an enhanced version of LMM which captures interest rate volatility skew and negative interest rates. The model is calibrated to monthly forward rates based on the UK government bond yield curve. The volatility structure of these forward rates is calibrated to a surface of at the money and 10 year out of the money swaption volatilities. The table below gives market data inputs at quinquennial durations with at the money swaption implied volatilities for a 20 year tenor:

Duration	Yield Curve (spot yields)	Implied Volatilities
5	1.37%	31.82%
10	2.04%	30.22%
15	2.47%	29.53%
20	2.74%	29.02%
25	2.83%	28.09%

- EUR interest rates are modelled using the same LMM+ model using rates calibrated to an average of German and French Government bonds. Spot yields and Implied volatilities for the EUR calibration are provided in the table below:

Duration	Yield Curve (spot yields)	Implied Volatilities
5	0.08%	36.02%
10	0.83%	34.49%
15	1.38%	35.45%
20	1.71%	37.30%
25	1.91%	38.07%

- an extension of a lognormal equity model which allows calibration to observed market FTSE 100 options varying by strike price and duration where available, which currently do not exceed ten years. The table below provides data on the implied volatilities input into the GBP economy model:

	Strike				
Duration	80%	90%	100%	110%	120%
1	23.4%	20.7%	18.2%	15.9%	13.7%
2	22.8%	21.1%	19.4%	17.6%	15.8%
3	22.8%	21.5%	20.1%	18.7%	17.3%
5	23.0%	22.0%	21.0%	20.1%	19.1%
10	23.8%	23.1%	22.5%	21.9%	21.3%

- For overseas equities, the equivalent model is calibrated to a weighted average of the EUROSTOXX50, S&P 500 and Nikkei 225 indices. The calibration data is shown in the table below:

	Strike				
Duration	80%	90%	100%	110%	120%
1	25.1%	22.3%	19.6%	17.0%	14.4%
2	24.4%	22.7%	20.9%	19.2%	17.4%
3	24.4%	23.0%	21.8%	20.5%	19.2%
5	24.6%	23.6%	22.7%	21.9%	21.1%
10	25.1%	24.5%	24.0%	23.5%	23.1%

- a lognormal property volatility model using a fixed estimated implied volatility of 16.3% for GBP and 12.8% EUR economies, being a best estimate as the property option prices required for market consistent calibration do not exist; and
- a corporate bond model which is calibrated using long term expected “credit transition” matrices and market data on observed spreads on UK and European stocks.

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

The table below provides details of the key input correlations included within the proprietary asset model, based on average observed results from the first ten years of simulation for the scenarios used to value the FPRLs. These correlations reflect the outcome of the calibration approach used by the Society, based on inputting the provider's best estimates. These are based on their analysis of past data and judgment of future trends. The third party have supplied supporting documentation describing the rationale for their use in market consistent calculations. In performing these calculations, the Society has maintained these assumptions without adjustment:

Asset Class	UK Equity	Overseas Equity	UK Property	UK Gilts	UK Corporate Bond (A rated)
UK Equity	100%	58%	35%	15%	31%
Overseas Equity		100%	20%	14%	26%
UK Property			100%	12%	20%
UK Gilts				100%	74%
UK Corporate Bond (A rated)					100%

### 6. (4) (a)

- (iii) The required tables are given below, based on the ESG output for the 1000 simulations run through the stochastic model. The results allow for the control variate methodology described in paragraph 6.(4)(a)(viii) below (except for sterling receiver swaptions).

#### Notes to Table (from Paragraph 6.(4) of the Interim Prudential Sourcebook for Insurers for ease of reference)

- Row 1 should be completed showing the value of cash payments of £1,000,000 due n years after the valuation date.
- Rows 2 to 15 inclusive should be completed for the appropriate asset classes showing the value of a put option on a portfolio worth £1,000,000 on the valuation date exercisable n years after the valuation date with strike price of  $K * £1,000,000 * (1 + r * p)^n$ .
- All references to 15 year bonds mean rolling bonds traded to maintain the 15 year duration at all future dates. The corporate bonds should be assumed to be rolling AA rated zero coupon bonds.
- Row 16 should be completed showing the value of sterling receiver swaptions with a strike of 5% exercisable n years after the valuation date with swap durations on exercise of L years. The values should be expressed as a percentage of nominal.
- In carrying out the calculations required to complete the table above firms must assume, where appropriate, that the options for which a value is to be included in the table are options which, where appropriate, are based on underlying asset portfolios which are continuously rebalanced to the stated proportions. Swaptions in relation to which a value must be included in the table must be based on swaptions with monthly payments. Firms must include in the table the value that their liability model would produce for such options and values will thus reflect the actual time-intervals underlying their valuation models. The property put options should be assumed to relate to a well diversified portfolio of United Kingdom commercial property.
- A zero trend growth in property prices should be assumed where this is relevant.
- In each case the options should be valued with reinvestment of any dividend income into the FTSE All Share index and reinvestment of any rental or other property income into United Kingdom property.
- Tax should be ignored in all calculations.
- All options should be assumed to be European-style.
- A firm may consider that its model does not need to be calibrated to produce a reasonable value for a particular entry in the table because that entry is insignificant to the valuation of its assets and liabilities. In such circumstances the firm may leave an entry in the table blank, but must give an explanation as a note to the table.

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		K	0.75			
n		Duration (n)	5	15	25	35
r		Annualised compound equivalent of the risk free rate assumed for the period (r )	1.37%	2.46%	2.83%	2.67%
1		Risk-Free Zero Coupon Bond	£934,014	£694,420	£497,959	£398,253
2		FTSE All Share Index (p=1)	£81,592	£204,929	£327,507	£404,974
3		FTSE All Share Index (p=0.8)	£78,480	£179,326	£268,017	£317,453
4		Property (p=1)	£39,394	£125,420	£206,197	£276,614
5		Property (p=0.8)	£36,614	£102,328	£155,632	£200,261
6		15yr Risk-Free ZCBs (p=1)	£21,809	£20,416	£21,729	£46,187
7		15yr Risk-Free ZCBs (p=0.8)	£19,964	£12,050	£6,811	£17,004
8		15yr Corporate Bonds (p=1)	£26,693	£35,780	£46,482	£78,543
9		15yr Corporate Bonds (p=0.8)	£24,567	£24,725	£23,338	£40,143
10		Portfolio of 65% FTSE All Share and 35% property (p=1)	£49,912	£143,692	£249,862	£325,907
11		Portfolio of 65% FTSE All Share and 35% property (p=0.8)	£47,353	£122,048	£195,673	£246,739
12		Portfolio of 65% equity and 35% 15yr risk free ZCBs (p=1)	£38,701	£114,677	£206,979	£275,531
13		Portfolio of 65% equity and 35% 15yr risk free ZCBs (p=0.8)	£36,563	£95,757	£156,832	£205,892
14		Portfolio of 40% equity, 15% property, 22.5% 15 yr risk free ZCBs and 22.5% 15yr corporate bonds (p=1)	£21,382	£67,643	£135,327	£201,284
15		Portfolio of 40% equity, 15% property, 22.5% 15 yr risk free ZCBs and 22.5% 15yr corporate bonds (p=0.8)	£19,802	£53,567	£94,885	£140,502
16		Sterling Receiver Swaptions	23.11%	16.63%	11.96%	9.63%
			Swap Duration = 15 years			

		K	1			
n	Duration (n)	5	15	25	35	
r	Annualised compound equivalent of the risk free rate assumed for the period (r )	1.37%	2.46%	2.83%	2.67%	
1	Risk-Free Zero Coupon Bond	£934,014	£694,420	£497,959	£398,253	
2	FTSE All Share Index (p=1)	£187,267	£344,257	£492,260	£593,959	
3	FTSE All Share Index (p=0.8)	£180,311	£303,128	£404,652	£466,213	
4	Property (p=1)	£148,162	£264,485	£365,150	£451,060	
5	Property (p=0.8)	£140,681	£221,220	£278,401	£331,104	
6	15yr Risk-Free ZCBs (p=1)	£112,001	£108,561	£116,625	£159,068	
7	15yr Risk-Free ZCBs (p=0.8)	£104,812	£74,358	£55,863	£74,744	
8	15yr Corporate Bonds (p=1)	£122,012	£131,798	£152,886	£196,878	
9	15yr Corporate Bonds (p=0.8)	£114,854	£97,441	£88,823	£110,996	
10	Portfolio of 65% FTSE All Share and 35% property (p=1)	£145,529	£272,792	£406,679	£500,808	
11	Portfolio of 65% FTSE All Share and 35% property (p=0.8)	£138,646	£232,904	£322,970	£382,153	
12	Portfolio of 65% equity and 35% 15yr risk free ZCBs (p=1)	£129,533	£231,793	£351,820	£437,683	
13	Portfolio of 65% equity and 35% 15yr risk free ZCBs (p=0.8)	£122,652	£194,892	£273,903	£325,688	
14	Portfolio of 40% equity, 15% property, 22.5% 15 yr risk free ZCBs and 22.5% 15yr corporate bonds (p=1)	£103,262	£171,948	£268,400	£348,575	
15	Portfolio of 40% equity, 15% property, 22.5% 15 yr risk free ZCBs and 22.5% 15yr corporate bonds (p=0.8)	£96,494	£137,034	£195,137	£246,373	
16	Sterling Receiver Swaptions	28.83%	20.72%	14.95%	12.03%	
		Swap Duration = 20 years				

# VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

n	r	K Duration (n) Annualised compound equivalent of the risk free rate assumed for the period (r )	1.5			
			5	15	25	35
			1.37%	2.46%	2.83%	2.67%
1		Risk-Free Zero Coupon Bond	£934,014	£694,420	£497,959	£398,253
2		FTSE All Share Index (p=1)	£538,048	£692,559	£867,625	£996,736
3		FTSE All Share Index (p=0.8)	£520,655	£612,714	£716,418	£790,829
4		Property (p=1)	£530,549	£637,959	£747,889	£852,814
5		Property (p=0.8)	£512,381	£553,089	£593,240	£645,422
6		15yr Risk-Free ZCBs (p=1)	£509,745	£507,890	£519,519	£544,081
7		15yr Risk-Free ZCBs (p=0.8)	£490,960	£409,181	£342,337	£331,915
8		15yr Corporate Bonds (p=1)	£512,688	£513,252	£536,434	£568,966
9		15yr Corporate Bonds (p=0.8)	£493,986	£418,157	£368,045	£364,704
10		Portfolio of 65% FTSE All Share and 35% property (p=1)	£522,749	£627,959	£781,043	£896,579
11		Portfolio of 65% FTSE All Share and 35% property (p=0.8)	£504,483	£543,837	£628,601	£692,339
12		Portfolio of 65% equity and 35% 15yr risk free ZCBs (p=1)	£512,267	£578,807	£709,129	£816,538
13		Portfolio of 65% equity and 35% 15yr risk free ZCBs (p=0.8)	£493,183	£495,658	£560,661	£619,199
14		Portfolio of 40% equity, 15% property, 22.5% 15 yr risk free ZCBs and 22.5% 15yr corporate bonds (p=1)	£507,479	£533,479	£631,683	£719,311
15		Portfolio of 40% equity, 15% property, 22.5% 15 yr risk free ZCBs and 22.5% 15yr corporate bonds (p=0.8)	£487,997	£444,550	£477,819	£523,093
16		Sterling Receiver Swaptions	33.91%	24.38%	17.61%	14.17%
			Swap Duration = 25 years			

## 6. (4) (a) (iv)

The initial UK and Overseas equity yields are 3.98% and 2.79% respectively. Initial UK and Euro property yields are both 4.30%.

## 6. (4) (a) (v)

The majority of overseas equities are denominated in Euros, US Dollars and Japanese Yen and are modelled using an overseas equity model calibrated to a weighted average of these economies. The remaining overseas equity holdings are also modelled using this calibration given they represent small territorial holdings which would benefit from diversification between territories by assuming a correlation assumption of less than one.

Any overseas bonds are modelled as being wholly EUR in the Liver closed fund and 50:50 UK equities: fixed interest in Royal London's other with-profit funds.

## 6. (4) (a) (vi)

The calibration of the model has been set at the company level with one set of simulations being used to model all classes of business. Property volatilities are targeted at a constant rate of 16.3% for GBP and 12.8% for EUR.

For life business, the majority of the guarantee costs will arise within the next ten years with the exception of certain classes of whole of life business, particularly when considered in terms of present value. The cost of guarantees for pensions business generally exceeds ten years where implied volatilities for equities are based on the longest available market data.

The table below gives an estimate of the average outstanding duration of the guarantees, including financial options and smoothing liabilities, for each with-profits fund, split life and pensions:

With-profits fund	Average Duration (years)	
	Life	Pension
SL	2	8
RL IB & OB	6	11
RA IB	4	n/a
UF IB	14	n/a
UF OB	13	13
PLAL	6	13
LIVER	8	16
RL (CIS)	4	11

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### 6. (4) (a) (vii)

The following validation tests are performed on the simulation output:

- For each asset class, £1 is accumulated for every annual projection period within the run off period and the net present value taken by discounting at the accumulated cash return over the equivalent period. The calculations are performed for each simulation. The average value is taken across all simulations and from the data, a 95% confidence interval is taken. The results are plotted to ensure that the expected value of £1 lies within the 95% confidence interval.
- A yield curve is calculated from an average of the observed simulated cash returns, again with a 95% confidence interval being taken. This is compared to an observed market yield curve and ensures that the model is based on a correctly calibrated yield curve.
- The simulation produced option implied volatilities were reviewed to ensure that the market observed implied volatilities for equities and swaptions lie within a 95% confident interval.

### 6. (4) (a) (viii)

The number of simulations used for the valuation was 1000.

For the RL (CIS) closed fund, test runs were carried out to demonstrate that the cost of guarantees, options and smoothing calculated using 1,000 simulations and 20,000 simulations chosen using the tests described in 6.(4)(a)(vii) above differ by less than 1%.

For Royal London's other with-profits funds, an advanced technique has been adopted for reducing the variance in simulated results by the use of "Control Variates". Implementation of control variate techniques involves calculating a weighted average of simulation results. The weights reflect the accuracy of each simulation in estimating some known quantities (the "controls"). Royal London uses the market values of several different asset classes as controls.

The table below provides results of standard error calculations for each subfund, expressed as a percentage of the sum of the absolute values of the market consistent liability calculated by the model (guarantees, smoothing and options), using the 1000 simulations adopted for the valuation:

With-profits fund	Standard Error (%)	Market Consistent Costs of Guarantees, smoothing and Options (£m)
RL IB & OB	0.10%	377.8
RA IB	0.14%	17.5
UF IB	0.42%	23.7
UF OB	0.28%	112.0
SL	0.03%	588.8
PLAL	0.39%	3.1
LIVER	0.10%	124.2

The 95% confidence interval associated with these standard errors is approximately plus or minus two times the standard errors quoted above. The magnitude of these standard errors and their associated 95% confidence interval were considered to be sufficiently low so as to confirm convergence in the model results.

### 6. (4) (b)

Not applicable

### 6. (4) (c)

All options and guarantees, except those offered under Caledonian Homeguard products, were valued using a market-consistent stochastic model. Homeguard mortgage protection policies provide a guarantee that the mortgage will be repaid irrespective of the level of mortgage interest rates experienced during the life of the mortgage.

(i) Homeguard products were valued deterministically using a single projection assuming an underlying mortgage interest rate of 7% per annum. The underlying mortgage rate is a key determinant in the guarantee costs arising from these products.

(ii) The underlying assumed mortgage interest rate of 7% was selected as it was assumed to be prudent relative to the forward yield curve as at 31 December 2014. The actual mortgage interest rate in the markets in which Homeguard policies were sold was approximately 3.70% pa last year.

(iii) The risk-free rate was taken from the Euro "Gilt" yield curve.

(iv) The following table shows the outstanding duration for Homeguard business:

# VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

Expiry years	2016-2020	2021-2025	2026-2030	2031-2035	2036-2040	2041-2045	Total
Sum assured (% of total)	8.01%	16.36%	22.38%	38.52%	13.44%	1.29%	100.00%

## 6. (5) (a)

The following key assumptions have been incorporated when projecting forward the assets and liabilities in the base scenario:

- In the Royal London IB & OB, Refuge Assurance IB, United Friendly IB and United Friendly OB Subfunds the proportions of assets invested in equities and properties depends on the outstanding term of the policy and on whether the class of business that the policy belongs to has guarantees that are heavily in the money (i.e. where guarantees significantly exceed projected with profits benefits reserves). The proportions within each class and each outstanding term are assumed to be fixed for all future years.
- For the Royal Liver Assurance Fund the proportion of assets invested in equities and properties varies by future year in relation to the different run off speeds of the UK and ROI liabilities.
- For the Scottish Life and PLAL With Profits Funds the proportion of assets invested in equities and properties are assumed to be fixed for all future years.
- For the Royal London (CIS) Ordinary & Industrial Life Fund, the proportion of assets invested in equities and properties are assumed to be fixed.
- The following table shows the proportions of assets invested for the benefit of with-profits business in equities and property at sample outstanding terms. Note that the Royal Liver Assurance proportions are applicable for 2016 only. For all other Funds the proportions are applicable for all future years.

With-profits fund	Products	Policies with outstanding terms of less than 1 year	Policies with outstanding terms of between 5 and 6 years	Policies with outstanding terms of more than 10 years
		2016 and after	2016 and after	2016 and after
Royal London IB & OB	Other Than Heavily in The Money	32.45%	59.18%	83.95%
Refuge Assurance IB	All	37.18%	55.71%	73.08%
United Friendly OB	Other Than Heavily in The Money	29.11%	34.05%	38.89%
Royal London IB & OB and United Friendly OB	Heavily in The Money	0.00%	0.00%	0.00%
United Friendly IB	All	30.59%	58.28%	85.22%
Scottish Life	Other Than DA	23.73%	23.73%	23.73%
Scottish Life	DA	10.38%	10.38%	10.38%
PLAL With-Profits	All	40.07%	40.07%	40.07%
Royal Liver Assurance	All	46.97%	46.97%	46.97%
Royal London (CIS) Ordinary & Industrial Life	Traditional With-Profits	50.90%	50.90%	50.90%
Royal London (CIS) Ordinary & Industrial Life	Accumulating With-Profits	67.46%	67.46%	67.46%

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

- In all Royal London funds except for the Royal London (CIS) funds, annual bonuses are changed progressively from the most recently declared rates, according to line of business, to:

Line of CWP Business	Assumptions
Royal London IB & OB Subfund With Profits Personal Pension Single Premium and Table MW	0.10% pa
Royal London IB & OB Subfund excluding With Profits Personal Pension Single Premium and Table MW	0.25% pa
Refuge Assurance IB Subfund	0.25% pa
United Friendly IB Subfund Tables 5 & 7	0.25% pa
United Friendly IB Subfund Table 27L	1.50% pa
United Friendly IB Subfund except Tables 5, 7 & 27L	1.50% pa
United Friendly OB Subfund FSAVC, Table I compound, Table E post 1994	2.00% pa
United friendly OB Subfund except FSAVC, Table I compound, Table E post 1994	0.00% pa
Scottish Life Fund business sold before 1 July 2001	0.10% pa
Royal Liver Assurance Subfund Irish Life pre 1965	4.00% pa
Royal Liver Assurance Subfund Irish Life 1965 - 1980	2.50% pa
Royal Liver Assurance Subfund Irish Life post 1980	1.50% pa
Royal Liver Assurance Subfund FP Table 10 pre 1979	30 x weekly premium
Royal Liver Assurance Subfund FP Table 1, 2 & 3 pre 1979	41 x weekly premium
All other Royal Liver Assurance Subfund	0.00% pa

Line of UWP Business	Assumptions
RL Funeral Plan sold after 1 January 2015 (Royal London IB & OB Subfund)	0.01% pa
UWP Life business sold before 1 July 2001	0.50% pa to 4.0% pa (dynamically linked to investment returns)
UWP Pension business sold before 1 July 2001 (Royal London IB & OB Subfund)	0.25% pa to 3.0% pa (dynamically linked to investment returns)
UWP Pension business sold before 1 July 2001 (Scottish Life Fund)	0.10% pa to 4.0% pa (dynamically linked to investment returns)
DA Pensions business sold before 1 July 2001	0.10% pa to 5.0% pa (dynamically linked to investment returns)
Crest Growth	0.10% pa to 4.0% pa (dynamically linked to investment returns)
UWP Business sold after 1 July 2001	0.50% pa to 3.5% pa (dynamically linked to investment returns)
PLAL With-Profits Fund	0.50% pa to 3.0% pa (dynamically linked to investment returns)
Liver UWP and Caledonian UWP Bond (Royal Liver Assurance Subfund)	0.25% pa to 1.0% pa (dynamically linked to investment returns)

For all with-profits business in the Royal London IB & OB, Refuge Assurance IB, United Friendly IB and OB Subfunds and Royal Liver Assurance Fund, it is assumed that terminal bonus declarations will be made on a quarterly basis if a projection of the FTSE 100 falls below a pre-determined trigger level. The value of the trigger is regularly reassessed to reflect the level where this action would be taken. If the projected level of the FTSE 100 subsequently recovers above a higher trigger point then annual bonus declarations are assumed to recommence.

# VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## 6. (5) (b)

The table below gives indicative equity backing ratios (which, for the avoidance of doubt, excludes properties) in five years' time which, as described above, is independent of investment return:

With-profits fund	Products	Policies with outstanding terms of less than 1 year	Policies with outstanding terms of between 5 and 6 years	Policies with outstanding terms of more than 10 years
Royal London IB & OB	Other Than Heavily in The Money	23.77%	43.35%	61.49%
Refuge Assurance IB	All	37.18%	55.71%	73.08%
United Friendly OB	Other Than Heavily in The Money	15.73%	18.40%	21.02%
Royal London IB & OB and United Friendly OB	Heavily in The Money	0.00%	0.00%	0.00%
United Friendly IB	All	22.13%	42.15%	61.64%
Scottish Life	Other than DA	20.75%	20.75%	20.75%
Scottish Life	DA	9.07%	9.07%	9.07%
PLAL With-Profits	All	40.07%	40.07%	40.07%
Royal Liver Assurance	All	40.91%	40.91%	40.91%
Royal London (CIS) Ordinary & Industrial Life	Traditional With-Profits	35.27%	35.27%	35.27%
Royal London (CIS) Ordinary & Industrial Life	Accumulating With-Profits	46.24%	46.24%	46.24%

The table below gives indicative equity backing ratios (which, for the avoidance of doubt, excludes properties) in ten years' time which, as described above, is independent of investment return:

With-profits fund	Products	Policies with outstanding terms of less than 1 year	Policies with outstanding terms of between 5 and 6 years	Policies with outstanding terms of more than 10 years
Royal London IB & OB	Other Than Heavily in The Money	23.77%	43.35%	61.49%
Refuge Assurance IB	All	37.18%	55.71%	73.08%
United Friendly OB	Other Than Heavily in The Money	15.73%	18.40%	21.02%
Royal London IB & OB and United Friendly OB	Heavily in The Money	0.00%	0.00%	0.00%
United Friendly IB	All	22.13%	42.15%	61.64%
Scottish Life	Other than DA	20.75%	20.75%	20.75%
Scottish Life	DA	9.07%	9.07%	9.07%
PLAL With-Profits	All	40.07%	40.07%	40.07%
Royal Liver Assurance	All	39.13%	39.13%	39.13%
Royal London (CIS) Ordinary & Industrial Life	Traditional With-Profits	35.27%	35.27%	35.27%
Royal London (CIS) Ordinary & Industrial Life	Accumulating With-Profits	46.24%	46.24%	46.24%

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

The table below gives indicative annual bonus rates in five and ten years' time for accumulating with-profits business (except Royal London (CIS) business):

Class	Base		Base + 42bps		Base – 42bps	
	5 Years	10 Years	5 Years	10 Years	5 Years	10 Years
4 (Royal London & Refuge Assurance)	1.00%	0.50%	1.00%	0.50%	1.00%	0.50%
4 (Royal London 360)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
4 (PLAL)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
4 (Royal Liver Assurance)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
7 (Royal London Fund pre 7/2001)	0.50%	0.25%	0.50%	0.25%	0.50%	0.25%
7 (Royal London Fund post 6/2001)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
7 (Scottish Life Fund)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
7 (PLAL)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
8 (Royal London Fund pre 7/2001)	0.50%	0.25%	0.50%	0.25%	0.50%	0.25%
8 (Royal London Fund post 6/2001)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
8 (PLAL)	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
8 (Royal Liver Assurance)	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
9 (Scottish Life Fund)	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

There are no significant equity derivative contracts to take into consideration.

The annual bonus rates for Royal London (CIS) accumulating with-profits business will be as follows in all future years and under the three different investment return scenarios:

Class	Product	Bonus Rate
4	Accumulating with-profits sold with a guarantee that no MVR will apply 10 years after the premium is paid.	1.25%
4	Accumulating with-profits sold without any guarantees, prior to April 2004	1.25%
4	Accumulating with-profits sold without any guarantees between April 2004 and March 2009	2.00%
4	Accumulating with-profits sold without any guarantees after April 2009	2.75%
4	Accumulating with-profits available either within or outside an Individual Savings Account (ISA)	2% (ISA) 1.75% (non-ISA)
4	Funeral Investment Plan and Funeral Pre-payment plan	0%

The annual bonus rates on Royal London (CIS) conventional with-profits business will remain at current levels in all future years and under the three different investment return scenarios.

### 6. (6)

The tables below give persistency assumptions for the key classes of business. For lines of business where the last entry date means that there is no business in force with a particular duration, no data is provided.

#### Exit Rates (% pa) for major lines of Royal London IB & OB pre acquisition business

Product		Duration In Force (Years)					
		1-5	6-10	11-15	16-20	21-25	26-30
CWP savings endowment	surrender	n/a	1.7%	1.5%	1.3%	1.1%	0.8%
CWP target cash endowment	surrender	n/a	1.7%	1.5%	1.3%	1.1%	0.8%
AWP bond	surrender	4.9%	8.7%	7.7%	7.2%	9.5%	9.5%
AWP bond	automatic withdrawals	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
CWP pension regular premium	PUP	n/a	n/a	1.9%	1.8%	1.7%	1.5%
CWP pension regular premium	surrender	n/a	n/a	1.0%	0.7%	0.5%	0.5%
CWP pension single premium	surrender	n/a	n/a	1.0%	1.0%	1.0%	1.0%
AWP indiv pension regular premium	PUP	n/a	n/a	4.9%	3.8%	3.2%	3.0%
AWP indiv pension regular premium	surrender	n/a	n/a	2.3%	2.4%	2.5%	3.0%
AWP indiv pension single premium	surrender	2.9%	2.7%	2.6%	1.4%	1.4%	1.4%

For IB and OB Life business, conversions to a paid up non-profit contract for reduced benefit ("PUPs") are not modelled explicitly. An increased surrender rate is input into the model. All business has been in-force at least five years.

# VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## Exit Rates (% pa) for major lines of acquired UAG business

### Refuge Assurance IB Subfund

Product		Duration In Force (Years)					
		1-5	6-10	11-15	16-20	21-25	26-30
CWP savings endowment	surrender	n/a	n/a	n/a	1.0%	1.0%	0.6%

### United Friendly OB Subfund

Product		Duration In Force (Years)					
		1-5	6-10	11-15	16-20	21-25	26-30
CWP savings endowment	surrender	n/a	n/a	n/a	1.6%	1.6%	1.1%
CWP target cash endowment	surrender	n/a	n/a	n/a	1.6%	1.6%	1.1%
CWP pension regular premium	PUP	n/a	n/a	n/a	0.0%	0.0%	0.0%
CWP pension regular premium	surrender	n/a	n/a	n/a	1.4%	1.2%	1.0%
CWP pension single premium	surrender	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

### United Friendly IB Subfund

Product		Duration In Force (Years)					
		1-5	6-10	11-15	16-20	21-25	26-30
CWP savings endowment	surrender	n/a	n/a	n/a	1.0%	1.0%	1.0%

All acquired UAG business has been in force at least fifteen years.

## Exit Rates (% pa) for major lines of Scottish Life Business

Product		Duration In Force (Years)			
		1-5	6-10	11-15	16-20
CWP savings endowment	surrender	n/a	n/a	0.0%	0.0%
CWP target cash endowment	surrender	n/a	n/a	0.0%	0.0%
CWP pension regular premium	PUP	n/a	n/a	3.1%	2.8%
CWP pension regular premium	surrender	n/a	n/a	2.7%	2.7%
CWP pension single premium	surrender	n/a	n/a	3.3%	3.0%
AWP indiv pension regular premium	PUP	n/a	n/a	10.3%	11.2%
AWP indiv pension regular premium	surrender	n/a	n/a	4.3%	3.6%
AWP indiv pension single premium	surrender	n/a	n/a	3.9%	3.9%

Note that the model assumes the lapse rates vary by calendar year.

The pension rates above apply to personal pensions which form the majority of the Scottish Life pensions business. Separate rates apply to EPP and S32 contracts. In order to retain the cost of GARs on retirement at any age the early retirement decrement is set to zero. The benefits given on conversion to paid-up for life business are broadly equivalent to the actuarial value of those policies remaining in force. Office experience of conversions to paid-up status for this business is less than 3.5% of the total portfolio after 20 years. Therefore, no paid-up assumption is made.

No decrements are assumed prior to vesting for the Crest Secure Guaranteed Minimum Pension benefits as a benefit of similar or slightly lower value would be available on earlier exit or death.

## Exit Rates (% pa) for major lines of PLAL Business

Product		Duration In Force (Years)					
		1-5	6-10	11-15	16-20	21-25	26-30
AWP savings endowment	surrender	n/a	5.8%	5.5%	4.8%	4.7%	4.7%
AWP bond	surrender	n/a	n/a	6.8%	6.8%	6.8%	6.8%
AWP bond	Automatic withdrawals	n/a	n/a	7.5%	7.5%	7.5%	7.5%
CWP pension regular premium	PUP	n/a	n/a	0.0%	0.0%	0.0%	0.0%
CWP pension regular premium	surrender	n/a	n/a	1.6%	1.6%	1.6%	1.6%
CWP pension single premium	surrender	n/a	n/a	1.6%	1.6%	1.6%	1.6%

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Exit Rates (% pa) for major lines of Former Royal Liver Assurance Business

Product		Duration In Force (Years)			
		1-5	6-10	11-15	16-20
CWP savings endowment	Surrender	6.2%	5.1%	3.8%	3.2%
CWP target cash endowment	Surrender	6.2%	5.1%	3.8%	3.2%
UWP savings endowment	Surrender	10.5%	13.5%	10.4%*	10.2%
UWP target cash endowment	Surrender	n/a	n/a	n/a	n/a
UWP bond	Surrender	9.5%	9.5%	9.5%*	9.5%
UWP bond	Automatic withdrawals	No future withdrawals allowed for			
CWP pension regular premium	Pup	0.0%	0.0%	0.0%	0.0%
CWP pension regular premium	Surrender	n/a	5.1%	3.8%	3.2%
CWP pension single premium	Surrender	n/a	5.1%	3.8%	3.2%
UWP pension regular premium	Pup	0.0%	0.0%	0.0%	0.0%
UWP pension regular premium	Surrender	1.4%	1.4%	1.4%	1.4%
UWP pension single premium	Surrender	1.4%	1.4%	1.4%	1.4%

\* The surrender rate in the 11<sup>th</sup> year is 29.5% assuming a larger proportion of the policyholders exit on the 1<sup>st</sup> MVA-free date. The rate for other years is 9.5% for the UWP bond and 6.2% for the UWP savings endowment.

### Exit Rates (% pa) for major lines of Royal London (CIS) Business

Product		Duration In Force (Years)			
		1-5	6-10	11-15	16-20
CWP savings endowment	Surrender	n/a	n/a	4.7%	3.2%
CWP savings endowment	PUP	n/a	0.5%	0.5%	0.5%
CWP target cash endowment	Surrender	n/a	n/a	4.7%	3.2%
CWP target cash endowment	PUP	n/a	0.5%	0.5%	0.5%
UWP bond	Surrender	14.7%	12.2%	10.5%	9.5%
UWP bond	Automatic withdrawals	1.5%	1.5%	1.5%	1.5%
CWP pension regular premium	PUP	n/a	n/a	1.9%	1.4%
CWP pension regular premium	Transfer	n/a	1.6%	1.6%	1.6%
CWP pension single premium	Transfer	n/a	0.9%	0.9%	0.9%

### Guaranteed Annuity Option Take Up Rates

For Scottish Life lines of business with attaching GARs the assumed take up rate is 68% in all future years, based on an examination of recent experience.

For Royal London IB & OB lines of business with attaching GARs the assumed take up rate is 56% in all future years, based on an examination of recent experience.

For Royal Liver Assurance business, guaranteed annuity options are always assumed to be exercised where the guarantee is in the money.

For Royal London (CIS) Personal Pensions, SERPS and AVC business, on retirement at the normal retirement age and after allowing for any cash sums, all guaranteed annuity options that are “in-the-money” are assumed to be taken. It is assumed that 25% of all individual funds are taken as tax-free cash on retirement. In addition, 6% of all individual funds above the advice limit of £30,000 and 51% of all individual funds below this advice limit are assumed to be taken as cash.

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Annuitant Mortality Rates

For all Royal London lines of business (except Royal London (CIS)), the future rates of annuitant mortality assumed are as described in the table below:-

Class	Proportion	Age Rating	Table
Male Royal London IB & OB Business	117%	0	PPMV00 subject to 1.75% long term improvement rate (using CMI_2014)
Female Royal London IB & OB Business	102%	0	PPFV00 subject to 1.75% long term improvement rate (using CMI_2014)
Male Scottish Life Business	107%	0	PPMV00 subject to 1.75% long term improvement rate (using CMI_2014)
Female Scottish Life Business	97%	0	PPFV00 subject to 1.75% long term improvement rate (using CMI_2014)

For Royal London (CIS) business, the future rates of annuitant mortality assumed are as described in the table below:-

Class	Proportion	Age Rating	Table
Male personal pensions	136.2%	0	PPMV00 subject to 1.75% minimum annual improvement rate (using CMI_2014)
Female personal Pensions	127.4%	0	PPFV00 subject to 1.75% minimum annual improvement rate (using CMI_2014)
Male Section 226 deferred annuities	113.7%	0	RMV00 subject to 1.75% minimum annual improvement rate (using CMI_2014)
Female Section 226 deferred annuities	118.6%	0	RFV00 subject to 1.75% minimum annual improvement rate (using CMI_2014)
Male Section 32 transfer deferred annuities	123.5%	0	RMV00 subject to 1.75% minimum annual improvement rate (using CMI_2014)
Female Section 32 transfer deferred annuities	166.6%	0	RFV00 subject to 1.75% minimum annual improvement rate (using CMI_2014)

### 6. (7)

In addition to the static assumptions stated in the previous section, certain classes of business are modelled with dynamic policyholder behaviour. The following policyholder actions are assumed:

- For Royal Liver Assurance business, where unitised with-profits contracts include a right to payment with no MVA at specified durations, claim rates at that duration are assumed to increase on a sliding scale where the claim value available exceeds the with-profits benefit reserve.
- The stochastic model used by all other lines of business does not incorporate any dynamic links between policyholder lapse rates and investment performance. UWP pensions contracts include a best estimate of early retirements. For Scottish Life branded business, no early retirements are assumed where policy literature indicates that MVA's will not be applied. This is 5 years for Group Personal Pensions business and 1 year for all other Scottish Life branded UWP business.

### Financing Costs

#### 7.

Not applicable

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Other long-term insurance liabilities

8.

No liabilities are held with respect to line 46 of Form 19 “liabilities related to regulatory duty to treat customers fairly”. The table below describes the liabilities included within Lines 47 of Form 19 (in £m):

With-profits fund	PPR	Scottish Life Expense Provision	Royal London (CIS) Expense Reserve	Solvency II Transformation Costs	Other	Total
Royal London IB & OB	59.6	24.5	0.0	33.9	1.7	119.6
Refuge Assurance IB	0.0	0.0	0.0	0.5	0.8	1.3
United Friendly OB	0.0	0.0	0.0	3.8	0.7	4.5
United Friendly IB	0.0	0.0	0.0	1.7	3.7	5.4
Scottish Life	0.0	0.0	0.0	4.4	9.2	13.6
PLAL With-Profits	0.0	0.0	0.0	0.0	0.1	0.1
Royal Liver Assurance	0.0	0.0	0.0	3.7	14.6	18.3
Royal London (CIS) Ordinary & Industrial Life	88.4	0.0	20.5	24.1	1.3	134.3
<b>Total</b>	<b>148.0</b>	<b>24.5</b>	<b>20.5</b>	<b>72.1</b>	<b>32.1</b>	<b>297.1</b>

The nature of the most material liabilities is as follows:

- Personal Pension Review (PPR) – this represents a provision for the costs associated with redressing policyholders who were mis-sold pension policies. The most significant proportion of this provision within the Royal London IB & OB fund relates to policyholders who were redressed by way of a guarantee to meet occupational scheme benefits. This guarantee has been calculated using the same market consistent asset scenarios that determine the costs of guarantees, smoothing and options. The provision within the Royal London (CIS) Ordinary and Industrial Life fund has been calculated deterministically using a prospective valuation method.
- Scottish Life expense provision – this is the realistic value of expenses payable to RLMSL in excess of loadings receivable from acquired Scottish Life UWP business allocated to the Royal London IB & OB Subfund under the Scottish Life Scheme. This is consistent with the description given in the second bullet under paragraph 4.(3)(c)(iv) above.
- The Royal London (CIS) expense reserve is an explicit expense reserve for future one-off costs, including derivative transaction costs..
- Solvency II transformation costs are the costs allocated to each with-profits fund of implementing a number of projects associated with meeting the SII requirements.
- The entry under Other for the Scottish Life Fund represents £4.9m in respect of future charges payable to the Royal London IB & OB Subfund on Crest Secure business and £4.2m in respect of other miscellaneous liabilities. The entry for Royal Liver Assurance is the net total of the additional liabilities arising from mis-selling provisions, data reserves, unmodelled liabilities and end piece adjustments to the liability total.
- The entry under Other for Royal London (CIS) Ordinary & Industrial Life is a provision for mortgage endowment complaints.
- In determining the above figures for Royal London (CIS) Ordinary & Industrial Life, credit was taken for an amount of £2.9m in respect of future tax relief on future one-off costs.

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Realistic current liabilities

9.

The table below provides a summary of the realistic current liabilities by with-profits fund (in £m):

With-profits fund	Subordinated Debt	Claims outstanding	Creditors – insurance operations	Provisions and Creditors - Tax	Other Creditors, accruals and deferred income	Total
Royal London IB & OB	768.3	35.4	218.7	(19.2)	236.5	1,239.6
Refuge Assurance IB	0.0	2.6	0.5	8.8	0.9	12.7
United Friendly OB	0.0	1.3	0.4	4.8	16.2	22.8
United Friendly IB	0.0	0.0	0.7	51.9	4.5	57.1
Scottish Life	0.0	0.0	17.8	0.7	123.5	142.0
PLAL With-Profits	0.0	0.0	0.0	0.7	4.2	4.9
Royal Liver Assurance	0.0	30.0	23.0	0.6	20.0	73.5
Royal London (CIS) Ordinary & Industrial Life	0.0	90.1	2,790.9	55.9	1,799.3	4,736.2
Royal London (CIS) With-Profits Stakeholder	0.0	0.0	0.0	0.0	1.6	1.6
Royal London (CIS) With-Profits Pension	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>768.3</b>	<b>159.5</b>	<b>3,052.0</b>	<b>104.0</b>	<b>2,206.7</b>	<b>6,290.5</b>

This is less than the quoted regulatory current liabilities (Form 14 Line 49) value of £6,293.1m by £2.6m. This difference is made up of -£25.1m in respect of the write down of the subordinated debt in the Royal London IB & OB Subfund to market value and £27.6m in respect of deductions from outstanding claims provisions.

### Risk capital margin

10. (a)

The risk capital margin amounted in aggregate to £0.0m. The amounts calculated separately for each with-profits fund are as follows:

With-profits fund	Risk Capital Margin
Royal London IB & OB	£0.0m
Refuge Assurance IB	£0.0m
United Friendly OB	£0.0m
United Friendly IB	£0.0m
Scottish Life	£0.0m
PLAL With-Profits	£0.0m
Royal Liver Assurance	£0.0m
Royal London (CIS) Ordinary & Industrial Life	£0.0m
Royal London (CIS) With-Profits Stakeholder	£0.0m
Royal London (CIS) With-Profits Pension	£0.0m

The RCM is zero for the Refuge Assurance IB, United Friendly OB, United Friendly IB, Scottish Life, PLAL With-Profits, Royal Liver Assurance Fund and all three Royal London (CIS) Funds because in both the base scenario and stress tests, planned enhancements to WPBRs are varied to maintain a zero working capital.

The RCM can only be zero or positive for the Royal London IB & OB Subfund.

# VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## 10. (a) (i)

The most onerous assumptions for the market risk test for all equities and properties are shown in the table below:

Asset class	Change	Direction
Equities	19.9%	FALL
Properties	12.5%	FALL

## 10. (a) (ii)

The most onerous assumption for the market risk test for all fixed interest assets is shown in the table below:

Asset class	Change	Direction	Long Gilt Yield
Fixed Interest (Non €or \$)	42bps	FALL	2.42%
Fixed Interest (€)	21bps	FALL	1.22%
Fixed Interest (\$)	40bps	FALL	2.28%

## 10. (a) (iii)

The impact of the credit risk scenario and the percentage change in asset value under the credit risk event is given in the table below:

	Asset Category									
	Bonds		Debts		Reinsurance		Other Reins		Other	
	Spread	Value	Spread	Value	Spread	Value	Spread	Value	Spread	Value
Royal London IB & OB	+100bps	-6.72%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Refuge Assurance IB, United Friendly IB and United Friendly OB Subfunds	+119bps	-8.16%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Scottish Life Fund	+125bps	-5.29%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PLAL With-Profits Fund	+117bps	-8.29%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Royal Liver Assurance Fund	+82bps	-6.50%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Royal London (CIS) Ordinary & Industrial Life, Stakeholder and With-Profit Pensions Funds	+37bps	-11.51%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

The category of bonds covers all assets reported under Form 48 Lines L13 and L23, non approved securities under Form 48 Lines L14 and L24 and approved securities reported under Form 48 Lines L12 and L22 that are subject to the credit risk test.

No credit risk test is considered necessary for swaption assets held in respect of financial options, given the level of collateral supporting these assets and their lack of sensitivity to credit spread risk.

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### 10. (a) (iv)

The most onerous assumption for the persistency risk test is an IMPROVEMENT by 32.5% for all lines of business. The impact on the realistic value of liabilities of this projected improvement in persistency is as follows:

With-profits fund	% Change in Realistic Value of Liabilities for persistency test
Royal London IB & OB	0.2%
Refuge Assurance IB	0.0%
United Friendly OB	0.0%
United Friendly IB	0.0%
Scottish Life	0.0%
PLAL With-Profits	0.0%
Royal Liver Assurance	0.0%
Royal London (CIS) Ordinary & Industrial Life	0.0%

### 10. (a) (v)

Not applicable

### 10. (b) (i)

For the Royal London (CIS) Ordinary & Industrial Life Fund no management actions were assumed in the risk capital margin calculation and no material changes were made to any other assumptions. In the calculation of the RCM, allowance has been made for gilt futures contracts held at the valuation date.

Additional management actions assumed in excess of those described in paragraph 6. (5) (a) above for non Royal London (CIS) are:

- Annual bonuses reduced to zero across all product lines.
- Quarterly declarations of final bonus will be undertaken if the FTSE 100 index falls below 4,450. These quarterly bonus reviews will continue until the index goes above 5,550 at which point annual reviews will be resumed.
- Where payout ratios are targeted above 100% asset share in the base scenario, it is assumed that payout ratios are reduced to 100% in the long term. Payouts are reduced via a smoothing algorithm.
- For unutilised business in the Royal London IB & OB Subfund, final bonuses in the base scenario are calculated so that payouts equal unsmoothed asset shares, except that MVAs exclude the first 10% of any shortfall when the asset share lies below the unit fund. A management action is applied in the RCM scenario so that MVA's exclude just the first 2.5% of any shortfall when the asset share lies below the unit fund.

### 10. (b) (ii)

The table below indicates the impact of excluding management actions from the RCM calculation

With-profits fund	RCM (with management actions)	RCM (without management actions)	Benefit of management actions on RCM
Royal London IB & OB	0.0	3.6	3.6
Refuge Assurance IB	0.0	0.0	0.0
United Friendly OB	0.0	0.0	0.0
United Friendly IB	0.0	0.0	0.0
Scottish Life	0.0	0.0	0.0
PLAL With-Profits	0.0	0.0	0.0
Royal Liver Assurance	0.0	0.0	0.0
Royal London (CIS) Ordinary & Industrial Life	0.0	0.0	0.0
Royal London (CIS) Stakeholder	0.0	0.0	0.0
Royal London (CIS) Pension WP	0.0	0.0	0.0

This benefit of management actions is entirely due to revisions of future assumed annual bonus declarations.

## **VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY**

### **10. (b) (iii)**

Management actions to reduce the equity backing ratios post shocks have not been applied in the RCM stress. We assume that the equity backing ratios will be rebalanced such that they revert back to their pre-stress levels.

For annual bonus rates, management actions reduce bonus rates for all conventional and unitised with-profits business down to 0% or remain at 0%.

For the Royal London (CIS) Funds, there were no changes to the assumed level of annual bonuses disclosed under 6. (5)(b)(ii) in the calculation of the risk capital margin.

### **10. (b) (iv)**

INSPRU 1.3.188R does not apply, since either charges for guarantees, options or smoothing are not taken or, in the case of the Scottish Life Fund, are more than offset by demutualisation enhancements.

### **10. (c) (i)**

The assets backing the risk capital margin are held within the Royal London IB & OB Subfund. In calculating the RCM, relevant assets have been identified comprising:

- equity (UK, overseas and unlisted);
- property;
- fixed interest securities (approved and other, including gilts specifically allocated to the Royal London estate to match the cost of financial options);
- index linked securities (approved and other);
- other assets (income and non income producing) which include swaps and swaptions;
- present value of future profits on non-profit insurance contracts written in the fund as reported in L22 of Form 19 excluding any with-profits future profits assets.

Note that the swaps and the majority of the swaptions are held to specifically back the cost of financial options within the Royal London IB & OB Subfund and Scottish Life Fund. This is described further in paragraph 12 below.

### **10. (c) (ii)**

Not applicable.

## **Tax**

### **11**

In calculating the WPBR, tax for life business is charged against asset shares using rates prevailing for each historic calendar year for the differing components of return (income, capital gains etc). Tax relief for expenses is charged in line with relevant rates subject to spreading on acquisition. Current tax rates are incorporated into the stochastic model for projecting the WPBR. The model calculates tax chargeable to asset shares on a standalone basis.

Tax is not modelled explicitly within the calculation of the life business costs of smoothing and guarantees. Instead, the discount rate used to calculate these elements of the Life business FPRL is netted down for tax using an implied rate determined from net and gross fund returns calculated by the stochastic model for each time period and within each simulation separately.

The discount rate used to calculate the Royal Liver Assurance Life prospective business FPRL is not netted down as the fund is not currently subject to tax. However an additional reserve is held to allow for the increase to liabilities that is projected to arise in future when the fund reverts to a taxable position.

Appropriate allowance was made for the future taxation of assets held by the Royal London (CIS) Funds. The change in the value of capital gains tax as a result of the changes in market conditions under the Risk Capital Margin calculation was also allowed for at appropriate rates.

## VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

### Derivatives

12.

#### **Royal London IB & OB Subfund, Royal London (CIS) Ordinary & Industrial Life, Scottish Life, PLAL With-Profits, and Royal Liver Assurance Fund - Swaps and Swaptions**

The funds hold derivative instruments to hedge their interest rate exposures, including GARs on non-linked policies. Details are given below for the relevant funds:

- The RL(CIS) with-profits fund holds the following derivative instruments to hedge its interest rate and equity exposures:
  - Interest rate swaps, payer swaptions and gilt futures to provide a hedge against interest rate movements on liabilities, including attaching GARs.
  - The total nominal of these derivatives at 31 December 2015 was £17.9bn.
  - A portfolio of interest rate swaps, UK government securities (gilts) and gilt repos/reverse repos to provide a hedge against movements in swap spreads. The total nominal of these derivatives at 31 December 2015 was £3.6bn, £0.6bn and £3.0bn for swaps, gilts and repos respectively.
  - Equity options, equity futures and equity forwards to provide a hedge against equity market movements on liabilities. The total nominal of these derivatives at 31 December 2015 was £1.5bn.
  - An internal hedge between the estate and the with-profits asset shares to hedge market risk that arises from EBR assets (i.e. equities, alternatives and property) and credit risk from corporate bonds. The total nominal of the internal hedge at 31 December 2015 was £0.5bn and £0.2bn for EBR assets and corporate bonds respectively.
- The Scottish Life Fund holds the following derivative instruments to hedge its interest rate and equity exposures:
  - Interest rate swaps, payer swaptions and an internal gilt hedge between the estate and asset shares to hedge against interest rate movements on non-linked liabilities, including attaching GARs. The total nominal of these derivatives at 31 December 2015 was £1.2bn and £0.7bn for the swaps & swaptions and internal gilt hedge respectively.
  - A portfolio of equity-linked swaps, conventional swaps, equity-linked swaptions and conventional payer swaptions to hedge against interest rate movements on linked liabilities with GARs attaching. The total nominal of these derivatives at 31 December 2015 was £0.7bn.
- The PLAL with-profits fund holds a small portfolio of swaps to hedge against adverse market conditions. The total nominal at 31 December 2015 was c£25m.
- The Royal London IB & OB Subfund holds interest rate swaps and an internal gilt hedge between the estate and asset shares to provide a hedge against interest rate movements on former RA OB non linked liabilities with GARs attaching. The total nominal value at 31 December 2015 was c£0.3bn and £0.3bn for the swaps and internal gilt hedge respectively. It also holds a small amount (£2.0m nominal) of equity options to provide a hedge against equity markets movements on liabilities, in respect of the Riley block of business.
- The Royal Liver Assurance Fund holds a portfolio of equity options to provide a hedge against equity market movements. The total nominal value at 31 December 2015 of approximately £0.1bn. In addition, a portfolio of FX forward contracts (£0.3bn nominal) is used to hedge currency risk within the underlying asset portfolio.

Periodic reviews will be undertaken to ensure that the derivative hedges remain an appropriate match to the actual liability exposure over time. In the event of material divergence, it is likely that re-balancing transactions will be initiated.

#### **Royal London IB & OB and United Friendly OB Subfunds – Quasi-derivative**

Under the terms of the UAG Scheme, the Refuge Assurance IB, United Friendly OB and United Friendly IB Subfunds have a call on the Royal London IB & OB estate in adverse scenarios where their additional account becomes zero. At the valuation date, the additional accounts for the Refuge Assurance IB, United Friendly OB and United Friendly OB Subfunds were positive, since net with-profits assets exceeded WPBR. As realistic assets exceeded realistic liabilities in each of these funds, no capital support was required at the valuation date.

# VALUATION REPORT FOR REALISTIC VALUATION ON THE ROYAL LONDON MUTUAL INSURANCE SOCIETY

## Analysis of Working Capital

13.

Category	Total	RL IB & OB	RA IB	UF IB	UF OB	PLAL	Liver	SL	RL(CIS)
<b>Opening Working Capital (Form 19 L68)</b>	<b>2,764</b>	<b>2,764</b>							
Add back Planned Enhancements for closed with-profits funds	3,052	0	55	127	117	27	243	210	2,273
Capital support for closed funds (Quasi-derivative)	0	0	0	0	0	0	0	0	0
<b>Adjusted Opening Working Capital</b>	<b>5,816</b>	<b>2,764</b>	<b>55</b>	<b>127</b>	<b>117</b>	<b>27</b>	<b>243</b>	<b>210</b>	<b>2,273</b>
Investment return on adjusted opening working capital	69	81	1	7	9	1	6	4	-40
Mismatch profits on assets backing FPRLs and realistic current liabs	176	(6)	(6)	(16)	10	0	25	49	120
Assumption changes:									
- economic (VIF)	14	8	0	0	0	0	(14)	0	20
- economic (FPRLs) - excl. yield curve movements	6	(3)	0	0	(2)	0	(1)	(1)	13
- non economic (VIF)	58	16	(4)	0	0	0	(20)	1	65
- non economic (FPRLs)	392	38	(1)	(4)	(3)	0	(6)	126	242
- policyholder actions	0	0	0	0	0	0	0	0	0
Other variances:									
- economic - management actions	(3)	1	0	0	2	0	(9)	3	0
- economic - other	2	(5)	0	(1)	(5)	1	(1)	2	11
- non economic - management actions	(147)	(63)	(12)	(39)	(3)	(1)	(3)	(8)	-18
- non economic - other	(19)	(34)	2	19	6	(1)	(3)	1	-9
Value of new business	78	79	0	0	0	0	0	0	-1
Material changes in Lines 47/51	40	(13)	0	0	0	0	0	0	53
Modelling changes and opening adjustments	(47)	14	19	30	(1)	0	9	(18)	-100
Other factors	52	24	1	0	(3)	1	7	5	17
<b>Sub Total: Movement in adjusted Working Capital during year</b>	<b>671</b>	<b>137</b>	<b>0</b>	<b>(4)</b>	<b>10</b>	<b>1</b>	<b>(10)</b>	<b>164</b>	<b>373</b>
<b>Adjusted Closing Working Capital</b>	<b>6,487</b>	<b>2,901</b>	<b>55</b>	<b>123</b>	<b>127</b>	<b>28</b>	<b>233</b>	<b>374</b>	<b>2,646</b>
Deduct Planned Enhancements for closed with-profits funds	(3,586)	0	(55)	(123)	(127)	(28)	(233)	(374)	(2,646)
Capital support for closed funds (Quasi-derivative)	0	0	0	0	0	0	0	0	0
<b>Closing Working Capital (Form 19 L68)</b>	<b>2,901</b>	<b>2,901</b>							

For all funds except the Royal London IB & OB Subfund, working capital is zeroised by adjusting the planned enhancements in Line 34 of Form 19. The analysis above therefore shows the movement in planned enhancements over 2015 for the subfunds.

The impact on liabilities and VIF assets for changes in yield curves has been included within the row “mismatch profits on assets backing FPRLs and realistic current liabilities”, for consistency with the associated change in asset values being reported here.

## Optional disclosure

14.

Not applicable.

# Returns under the Accounts and Statements Rules

## Supplementary Notes

Name of insurer	The Royal London Mutual Insurance Society Limited
Global business	
Financial year ended	31 December 2015

### \*0201\* – Section 138A directions

The PRA, on the application of the firm, issued to the firm in April 2014 a direction under section 138A FSMA 2000. The effect of the direction is to renew the direction granted to the firm in July 2011 to permit the firm to include the value of transfers to the Royal London IB and OB Sub-fund as an asset in the receiving fund, as these amounts must be booked as liabilities in the paying fund

With effect from 30 December 2014 this direction was extended, through a direction made under s.138A of FSMA on the application of the firm, to include transfers to the Royal London IB and OB Sub-fund from the RL (CIS) fund

### \*0301\* – Reconciliation of net admissible assets to total capital resources after deductions

	2015 £000
Form 13, line 89	63,079,615
Less:	
Form 14, line 11	(43,280,401)
Form 14, line 49	(6,293,081)
<b>Net admissible assets</b>	<b>13,506,133</b>
Capital resources treated as a liability in Form 14 (Form 3, line 52)	743,275
Other items:	
- capital resources requirements of regulated related undertakings (Form 2, line 35)	32,921
<b>Total capital resources after deductions (Form 3, line 79)</b>	<b>14,282,329</b>

The capital resources treated as a liability in Form 14 relates to subordinated loan capital included in Form 14, line 38. There are two Lower Tier 2 instruments in issue, one issued in November 2013 (the 2013 notes) and one issued in November 2015 (the 2015 notes).

The Upper Tier 2 instrument issued in December 2005 (the 2005 notes) was repaid in December 2015.

The 2013 notes raised £394,387,000, net of £5,613,000 initial costs and discount, which are being amortised over 10 years. The amount remaining to be amortised is £4,443,000.

The 2015 notes raised £347,704,000, net of £2,296,000 initial costs, which are being amortised over 13 years. The amount remaining to be amortised is £2,282,000.

The 'other items' comprise differences in the valuation of regulated undertakings between Forms 3 and 13. The value included in Form 13, lines 21 and 25 includes a deduction for the capital resources requirements of regulated related undertakings that is not reflected in Form 3.

Returns under the Accounts and Statements Rules

Supplementary Notes (continued)

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

**\*0310\* – Net Valuation Differences**

The net valuation differences shown in Form 3, line 14 are as follows:

	2015
	£000
<b>Positive valuation differences relating to liabilities</b>	
Mathematical reserves	13,251,381
Deferred fees and renewal commission	319,318
Deferred tax on pension scheme surplus	7,425
Other	306
<b>Positive valuation differences relating to assets</b>	
100% reinsured unit liability	(2,239,125)
<b>Net valuation differences</b>	<b>11,339,305</b>

The adjustments in respect of mathematical reserves and deferred tax represent the difference between the values determined in accordance with GENPRU and INSPRU and those included in the Companies Act accounts prepared in accordance with Financial Reporting Standard 27 and International Financial Reporting Standards ('IFRS').

The adjustment in respect of deferred fees and renewal commission results from the application of IPRU (INS) Appendix 9.3 para.8, which prohibits the use of deposit accounting in the return.

The '100% reinsured unit liability' adjustment relates to reinsured liabilities which are presented as reinsurance in the return but cannot be presented as such in the Companies Act accounts prepared under IFRS.

**\*0313\* – Reconciliation of profit and loss account**

No reconciliation has been presented as the company is a mutual and consequently does not produce a form 16.

**\*1104\* – Use of discounting**

Certain provisions for outstanding claims included in line 51 have been valued as annuities. The interest rates used to calculate the value of these annuities were the same as the interest rates used to determine the regulatory peak liabilities.

**\*1308\* – Unlisted investments and unregulated collective investment schemes**

Unlisted investments included on Form 13 at 31 December 2015 were as follows:

	£000
Line 41	8,437
Line 42	535,388
Line 46	17,270
Line 48	2,773,083

Reversionary interests or remainders in property other than land or buildings included on Form 13 at 31 December 2015 were as follows:

	£000
Line 49	272,551

Returns under the Accounts and Statements Rules

Supplementary Notes (continued)

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

**\*1309\* – Hybrid securities**

The aggregate value of hybrid securities included at line 46 amounted to £372,100,000

**\*1310\* – Amounts set off**

Amounts have been set off in Form 13 to the extent permitted by generally accepted accounting principles.

**\*1312\* – Exposure to large counterparties**

At the year end there was no exposure to large counterparties.

**\*1313\* – Collateral held in respect of counterparty exposure**

As at 31 December 2015 collateral with a market value of £2,549,003,000 was held in respect of counterparty exposures on derivative contracts included in Form 13, line 44 and £2,780,344,000 relating to counterparty exposure on other assets.

**\*1318\* – Other asset adjustments**

The amounts included in Form 13, line 101 are as follows:

	2015 £000
<b>Positive valuation differences relating to assets:</b>	
100% reinsured unit liability	2,239,125
<b>Items reclassified between assets and liabilities:</b>	
Assets held to cover linked liabilities	103,837
Outstanding balances between linked and non-linked funds	(62,994)
Allocation of taxation	(38,369)
Bank overdraft	(5,662)
Cash collateral	(52,967)
Other	(391)
	<hr/> 2,182,579 <hr/>

# Returns under the Accounts and Statements Rules

## Supplementary Notes (continued)

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

### \*1319\* – Maximum counterparty limit

During 2015, the maximum exposure to a counterparty permitted by the company's investment guidelines, excluding subsidiary undertakings and Royal London open ended investment companies, was such that no investment should be made which would result in the portfolio holding:

- a) in respect of each of the Royal London IB & OB, Refuge Assurance IB, United Friendly IB & OB Funds, the Scottish Life Fund, the PLAL With-Profits Fund, the Royal Liver Fund, the Royal London (CIS) OB & IB, the Royal London (CIS) Stakeholder and the Royal London (CIS) Pension With-Profits Funds (the "Sub-funds") separately:
  - i) more than 10% of the total Sub-fund with any one counterparty.
  - ii) more than 10% of the share capital in issue of any one issuer, other than in the case of collective investment schemes.
  - iii) more than 1% of the value of the Sub-fund in unquoted securities, limited partnerships and development capital funds.
- b) in respect of the fund as a whole:
  - i) any investment that would cause the aggregate value of the assets of the company to be reduced in accordance with INSPRU rule 2.1.22R.
  - ii) more than 10% of the share capital in issue of any one issuer.

These limits were observed throughout the period with the exception of the following authorised holdings:

Company	% holding (Equity Shares unless specified)
KKR CIS Global Investor LP	100.00
SPL ARL Private Finance PF5	99.43
RL Private Equity Fund LP	44.20
WP Global Mezzanine Private Equity	38.46
Corealpha Private Equity Partners	29.85
RJD Private Equity Fund 3	29.70
Rising Star Growth Fund II	21.82
Enterprise Ventures Growth Ltd	17.07
RJD Private Equity Fund 2	14.37
Knightsbridge Venture Capital VII	14.10
Bridges Community Development Venture III	13.70
Chandos Fund	13.51
VCGA IV	12.99
UMIP Premier Fund	12.50
Landmark Opportunity Fund	11.26
Rising Star Growth Fund	10.53
Inflexion	10.23

### \*1401\* – Provision for reasonably foreseeable adverse variations

No provision has been made for reasonably foreseeable adverse variations, as there were no instruments held at the year-end that would necessitate such a provision.

Returns under the Accounts and Statements Rules

Supplementary Notes (continued)

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

**\*1402\* – Contingent liabilities**

- a. There are no charges over assets.
- b. The total potential liability to taxation on capital gains as at 31<sup>st</sup> December 2015 is £151,603,000. The amount provided for taxation on capital gains which is included in the deferred tax in Form 14 Line 21 is £151,603,000.
- c. During the year, the company continued to address issues from past inappropriate selling practices and other regulatory matters. The directors consider that they have made prudent provision for any liabilities arising in the UK and overseas and, as and when the circumstances calling for such provisions arise, that the company has adequate reserves to meet all reasonably foreseeable eventualities.
- d. There are no other contingent liabilities other than those arising in the normal course of business.
- e. There are no guarantees, indemnity or other contractual commitments effected by the company other than in the ordinary course of its insurance business, in respect of the existing or future liabilities of any related companies that are required to be reported under IPRU (INS) Appendix 9.1, para 13.
- f. There are no fundamental uncertainties to report.

**\*1405\* – Other adjustments to liabilities**

The amounts included in Form 14, line 74 are as follows:

	2015
	£000
<b>Positive valuation differences relating to liabilities:</b>	
Mathematical reserves	13,251,381
Deferred fees and renewal commission	319,318
<b>Items reclassified between assets and liabilities:</b>	
Assets held to cover linked liabilities	103,837
Outstanding balances between linked and non-linked funds	(62,994)
Allocation of taxation	(38,369)
Bank overdraft	(5,662)
Cash collateral	(52,967)
Other	7,342
	<hr/>
	13,521,886

Returns under the Accounts and Statements Rules

Supplementary Notes (continued)

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

**\*1406\* – Increase or decrease in the value of non-linked assets**

The amount of the increase/(decrease) in the value of non-linked assets is as follows:

	2015
	£000
Royal London IB & OB fund	111,726
Refuge Assurance IB fund	9,588
United Friendly OB fund	8,160
United Friendly IB fund	9,796
Scottish Life fund	(30,050)
PLAL With-Profits fund	5,580
Royal Liver Assurance fund	(17,137)
Royal London (CIS) OB & IB fund	(696,559)
Royal London (CIS) With-profits Stakeholder fund	5,204
Royal London (CIS) With-profits Pensions fund	68

**\*1700\* - Royal London (CIS) With-profits stakeholder and Royal London (CIS) With-Profits Pension Fund**

This form has been omitted from the Return, for the Royal London (CIS) With-profits stakeholder fund and the Royal London (CIS) With-Profits Pension Fund because all entries would be blank.

**\*1701\* –Variation margin**

Variation margin, including cash collateral treated as variation margin of £181,896,000 is included in Form 13 lines 54, 55 and line 81. A liability to repay this amount is included in Form 14 line 36.

**\*1801\* – With-profits insurance capital component for the fund**

The entries in Form 18, line 61 for the end of the current year for the sub-total form Total Long Term Insurance Business Assets have been deliberately left blank. This is because the calculation of the WPICC in Form 18, line 66, would produce a different value to the sum of the different with-profits subfunds. This is because, in the Royal London IB & OB Subfund, the realistic excess capital in Form 18, line 51, is more than the regulatory excess capital in Form 18, line 49, while in the other subfunds, the reverse is true.

Returns under the Accounts and Statements Rules

Supplementary Notes (continued)

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

**\*4002\* – Other Income and other expenditure**

Form 40, line 15, includes other income as follows:

	2015
	£000
Commissions received	6,812
Currency movement adjustments	(121)
Interest on finance leases	752
Other interest	1,706
Interest on reinsurance claims	430
(RL) CIS admin services (see note 4009 vii)	3,898
Other	766
	<hr/>
	14,243

Commissions received represents commissions received in respect of the renewal of general insurance policies previously sold by the company on behalf of third parties and in respect of vested pensions policies.

Form 40, line 25, includes other expenditure as follows:

	2015
	£000
Movements in reinsurance liability	45,468
Currency movement adjustments	3,383
Other	114
	<hr/>
	48,965

Returns under the Accounts and Statements Rules

Supplementary Notes (continued)

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

In addition to the above the following items are included within other income and other expenditure in the Sub-fund Form 40s relating to movements between the Sub-funds of the long-term fund. As these relate to movements between Sub-funds they have been excluded from the total Form 40.

	Sub-fund	Line 15 £000	Line 25 £000
Transfers	United Friendly IB		2,868
	Royal London IB & OB	2,868	
Transfers	United Friendly OB		2,175
	Royal London IB & OB	2,175	
Transfers	Refuge Assurance IB		1,400
	Royal London IB & OB	1,400	
Annual management charges and other fees payable by Scottish Life to Royal London IB & OB per Scottish Life Schedule 2c scheme	Scottish Life		11,679
	Royal London IB & OB	11,679	
Annual management charges payable by PLAL With-Profits to Royal London IB & OB	PLAL With-Profits		6,377
	Royal London IB & OB	6,377	
Reimbursed GAO management charges between Scottish Life and Royal London IB & OB	Scottish Life		2,971
	Royal London IB & OB	2,971	
Interfund interest	Royal London IB & OB		112
	Scottish Life	112	
Management charges payable by Royal Liver Assurance to Royal London IB & OB	Royal London IB & OB		35,353
	Royal London IB & OB	35,353	
Management charges payable by Royal London (CIS) to Royal London IB & OB	Royal London IB & OB		63,707
	Royal London IB & OB	63,707	
Transfer of With-profits Stakeholder surplus	Royal London (CIS) With-Profits Stakeholder		3,671
	Royal London (CIS) Ordinary and Industrial Life	3,671	
Funding of With-profits Pension negative surplus	Royal London (CIS) Ordinary and Industrial Life		480
	Royal London (CIS) With-Profits Pension	480	

**\*4004\* – Transfers of contracts from or to other funds or other insurers**

In addition to the above the lines 31 and 32 of the Sub-fund Form 40s include £52,700,000, which represents switches of policies between Sub-funds of the long-term fund. As these relate to movements between Sub-funds they have been excluded from the total Form 40.

**\*4005\* – Foreign currency translation**

Assets and liabilities in currencies other than sterling have been translated into sterling at the rates of exchange ruling at the balance sheet date. Income and expenditure of those operations which operate in currencies other than sterling are translated at average rates of exchange for the financial year. For all other operations, income and expenditure transactions are translated at the exchange rate ruling when the transaction took place.

## Returns under the Accounts and Statements Rules

### Supplementary Notes (continued)

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

#### **\*4006\* – Apportionment of long term funds**

Premium income, claims and surrenders are allocated directly. Investment return comprising income, realised and unrealised capital gains is allocated based on the unit holdings of each of the sub-funds in the underlying investment funds.

Management expenses generally take the form of fees payable to a management services company. These fees are directly related to individual policies, either as per policy or per premium loadings, and therefore the management expenses are directly allocated in line with the policy allocation. Investment expenses are also allocated based on the unit holdings of each of the sub-funds in the underlying investment funds.

The tax charge for each Sub-fund is determined initially on a standalone mutual basis using the allocations of investment income, gains and expenses set out in this note. The balance of the charge is then allocated to the Royal London IB & OB Sub-fund.

The basis of apportionment of the long-term funds has been performed in accordance with the detailed requirements of the Schedule 2C Scheme and principals of financial management for Scottish Life and United Assurance Group and the Schemes of Transfer for the Royal Liver Assurance, PLAL with-profits and the Royal London (CIS) Sub-funds. Further information on these requirements is presented in the Valuation Report in accordance with Appendix 9.4 of IPRU (INS).

#### **\*4008\* – Provision of management services**

Royal London Management Services Limited, a subsidiary undertaking of the company, provided management services to the company throughout the year.

#### **\*4009\* – Material connected party transactions**

- i) Royal London Management Services Limited a wholly owned subsidiary of the company, recharged to the company administration fees during the year totalling £243,256,000.
- ii) Royal London Asset Management Limited, a wholly owned subsidiary of the company, recharged to the company investment management fees during the year totalling £33,182,000.
- iii) RL Finance Bonds plc, a wholly owned subsidiary of the company had lent the proceeds of subordinated liabilities to the company on the same terms as the original debt issue with interest charged during the year totalling £14,370,000. On 14 December 2015 the subordinated liabilities were redeemed in full and at the same time the company repaid its loan to RL Finance Bonds plc.
- iv) RL Finance Bonds No.2 plc, a wholly owned subsidiary of the company has lent the proceeds of subordinated liabilities to the company on the same terms as the original debt issue with interest charged during the year totalling £24,500,000.
- v) RL Finance Bonds No.3 plc, a wholly owned subsidiary of the company has lent the proceeds of subordinated liabilities to the company on the same terms as the original debt issue with interest charged during the year totalling £2,878,000.
- vi) Royal London Unit Trust Managers Limited, a wholly owned subsidiary of the company, rebated the portion of its investment management fee relating to the internal holding of Open Ended Investment Companies to the company during the year totalling £55,034,000.
- vii) During the year the company provided management services to its subsidiaries, RLUM (CIS) Limited and RL Marketing (CIS) Limited. Fees for these services in the period were £3,845,000 and £53,000 respectively. The company incurred expenses of £3,898,000 in respect of these services, which are included within the administration fees shown in i) above.

#### **\*4010\* – Linked asset investment income**

Included within Line 12 is £665,570,000 of investment income relating to linked assets.

#### **\*4012\* – Premiums and claims between sub-funds**

Lines 11 and 21 of the Sub-fund Form 40s both include £24,354,000 which represents amounts payable in respect of Guaranteed Annuity Options between Sub-funds of the long-term fund. As these relate to transactions between Sub-funds they have been excluded from the total Form 40.

Returns under the Accounts and Statements Rules

Supplementary Notes (continued)

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

**\*4101\* – Premiums and claims between sub-funds**

Line 12, column 2 of the Sub-fund Form 41s include £24,354,000 which represents amounts payable in respect of Guaranteed Annuity Options between Sub-funds of the long-term fund. As these relate to transactions between Sub-funds they have been excluded from the total Form 41.

**\*4201\* – Premiums and claims between sub-funds**

Line 14, column 2 of the Sub-fund Form 42s include £24,354,000 which represents amounts payable in respect of Guaranteed Annuity Options between Sub-funds of the long-term fund. As these relate to transactions between Sub-funds they have been excluded from the total Form 42.

**\*4401\* – Valuation of linked assets**

The securities held in the internal linked funds have been valued at bid price.

Land has been valued on an open market basis by qualified valuers.

**\*4402\* – Derivative contracts**

The aggregate value of rights under derivative contracts included in assets amount to:-

	Gross	Net
	2015	2015
	£000	£000
SLI Protected Funds	2	2
RLAM FTSE 350 Options Fund	62	(1)
Schroders FTSE 350 Options Fund	216	(2)

**\*4404\* – Surplus units**

To provide the liquidity needed to deal with daily fluctuations in net cash flows the company operates a box system whereby the number of units in creation exceeds the matching unit liability by a specified margin.

**\*4405\* - Liquidity ratios**

Name of fund	Net Asset Value (£000)	Liquidity Ratio
Stakeholder Managed Pension Fund	88,660	5.71%

**\*4502\* – Particulars of Other Income and Other Expenditure**

Form 45, line 14, includes interest income on finance leases of £381,000.

Form 45, line 26 includes £711,000 in respect of currency movements.

**\*4601\* - Amount of new single premiums**

Form 46 includes amounts payable in respect of Guaranteed Annuity Options between subfunds of the long-term fund. These amounts are included within line 12, column 2 of the subfund Form 41s.

## Returns under the Accounts and Statements Rules

### Supplementary Notes (continued)

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

#### **\*4602\* – Classification of business**

Some Life UWP contracts are sold with a premium paying term of up to 5 years. These have been classed as single premium business.

#### **\*4701\* - New group schemes**

The company does not maintain scheme member records for certain group pension schemes. The number of such schemes split by product code is:

Product code	Number of schemes
735	4
755	3

#### **\*4703\* - Approximations used to estimate the number of policyholders**

A new plan or member contributes to column 3 where only regular premiums have been paid or where both regular and single premiums have been paid. A new plan or member contributes to column 5 where only single premiums have been paid. The count in respect of DWP National Insurance rebates relate to plans where this is the only contribution type present.

For group schemes with attaching risk benefits, the member count is allocated to the product code containing the retirement benefit, where this benefit is present. For risk benefit only members, the member count is allocated to Group Life where only this benefit is present or where Group Life is present along with other risk benefits. The member count is allocated to Group Income Protection where this is the only risk benefit present.

#### **\*4704\* – Classification of business**

Some Life UWP contracts are sold with a premium paying term of up to 5 years. These have been classed as single premium business.

#### **\*4801\* - Asset share asset mix**

### **Royal London IB & OB Subfund**

A variation of asset mix by outstanding duration of policy is assumed for all with-profits business. One variation of asset mix applies to table WPPP single premium business and table MW business. A separate asset mix applies to all other with profit business.

At the valuation date, the asset mix backing asset shares is 5% more or less for at least one of the asset categories derived from lines 21-29 of column 2. The asset mixes are:

Asset share category	WPPP single Premium and Table MW	All other business
Land and buildings	0.0%	17.9%
Approved fixed interest securities	58.5%	19.7%
Other fixed interest securities	35.7%	12.0%
Variable interest securities	5.8%	1.9%
UK listed equity shares	0.0%	32.0%
Non-UK listed equity shares	0.0%	15.9%
Unlisted equity shares	0.0%	0.6%
Other assets	0.0%	0.0%

### **Refuge Assurance IB Subfund**

A variation of asset mix by outstanding duration of policy is assumed for all with-profits business in the subfund.

At the valuation date, the asset mix backing asset shares is 5% more or less for at least one of the asset categories derived from lines 21-29 of column 2. The asset mix is:

## Returns under the Accounts and Statements Rules

### Supplementary Notes (continued)

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

Asset share category	
Land and buildings	0.5%
Approved fixed interest securities	32.8%
Other fixed interest securities	17.5%
Variable interest securities	1.8%
UK listed equity shares	29.3%
Non-UK listed equity shares	17.4%
Unlisted equity shares	0.7%
Other assets	0.0%

### United Friendly OB Subfund

A variation of asset mix by outstanding duration of policy is assumed for all with-profits business. One variation of asset mix applies to heavily in the money paid up pension business. A separate asset mix applies to all other with-profits business.

At the valuation date, the asset mix backing asset shares is 5% more or less for at least one of the asset categories derived from lines 21-29 of column 2. The asset mixes are:

Asset share category	Paid up pensions	All other business
Land and buildings	0.0%	17.2%
Approved fixed interest securities	65.0%	40.9%
Other fixed interest securities	30.1%	18.9%
Variable interest securities	3.7%	2.3%
UK listed equity shares	0.0%	14.7%
Non-UK listed equity shares	0.0%	4.6%
Unlisted equity shares	0.0%	0.6%
Other assets	1.2%	0.8%

### United Friendly IB Subfund

A variation of asset mix by outstanding duration of policy is assumed for all with-profits business in the subfund.

### Scottish Life Fund

The asset mix for the with-profits business scheduled in Forms 51 and 52 is 5% more or less for at least one of the asset categories in the asset mix derived from lines 21 to 29 in column 2. A variation of asset mix by duration of policy is assumed for all with-profits business apart from Crest Growth. The asset mix for business other than Crest Growth is:

Land and buildings	2.8%
Approved fixed interest securities	58.6%
Other fixed interest securities	8.8%
Variable interest securities	0.0%
UK listed equity shares	14.9%
Non-UK listed equity shares	5.5%
Unlisted equity shares	0.6%
Other assets	8.8%

The asset mix for the deposit administration business scheduled in Form 52 is 5% more or less for at least one of the asset categories in the asset mix derived from lines 21 to 29 in column 2. The asset mix is:

Land and buildings	1.2%
Approved fixed interest securities	69.0%
Other fixed interest securities	10.3%
Variable interest securities	0.0%
UK listed equity shares	6.5%
Non-UK listed equity shares	2.4%
Unlisted equity shares	0.2%
Other assets	10.4%

# Returns under the Accounts and Statements Rules

## Supplementary Notes (continued)

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

### Royal Liver Assurance Fund

At the valuation date, the asset mix backing asset shares is 5% more or less for at least one of the asset categories derived from lines 21-29 of column 2. The asset mix is:

Land and buildings	4.2%
Approved fixed interest securities	21.2%
Other fixed interest securities	27.7%
Variable interest securities	1.5%
UK listed equity shares	17.5%
Non-UK listed equity shares	17.2%
Unlisted equity shares	8.5%
Other assets	2.2%

### Royal London (CIS) Subfund

The 'asset share' philosophy does not assume a variation of asset mix by duration of policy.

The asset mix consistent with the treatment of liabilities in Form 48 for each major block of business is as follows:

Asset share category	Traditional with-profits policies (other than Section 32 transfer deferred annuities)	Accumulating with-profit policies	'Table P' deferred annuities	Section 32 transfer deferred annuities
Land and buildings	13.4%	21.2%	9.4%	0.0%
Approved fixed interest securities	20.7%	10.0%	14.5%	100.0%
Other fixed interest securities	28.5%	20.5%	19.9%	0.0%
Variable interest securities	0.1%	0.1%	0.0%	0.0%
UK listed equity shares	16.7%	25.9%	11.7%	0.0%
Non-UK listed equity shares	12.1%	15.4%	8.5%	0.0%
Unlisted equity shares	3.2%	5.0%	2.3%	0.0%
Other assets	5.3%	1.9%	33.7%	0.0%

### \*4802\* - Expected income in default

Expected income from admissible assets excludes interest in default. At the valuation date, the amounts excluded were:

Royal London IB & OB Subfund	£nil
Refuge Assurance IB Subfund	£nil
United Friendly OB Subfund	£nil
United Friendly IB Subfund	£nil
Scottish Life Fund	£nil
PLAL With-Profits Fund	£nil
Royal Liver Assurance Fund	£nil
Royal London (CIS) Subfund	£nil

## Returns under the Accounts and Statements Rules

### Supplementary Notes (continued)

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

#### **\*4803\* - Split redemption bonds**

Where securities may be redeemed over a period at the option of the guarantor or the issuer, the yield and market value are internally consistent and reflect the market's view of the likely redemption date within the available range. The total value of such bonds is:

Royal London IB & OB Subfund	£339m
Refuge Assurance IB Subfund	£13m
United Friendly OB Subfund	£127m
United Friendly IB Subfund	£49m
Scottish Life Fund	£22m
PLAL With-Profits Fund	£69m
Royal Liver Assurance Fund	£138m
Royal London (CIS) Subfund	£517m

#### **\*4804\* – Yields in lines 18 & 28 - Royal London (CIS) Subfund**

The return on assets stated in lines 18/28 column 4 have been calculated including a particularly large class of asset that has a corresponding current liability. The value of the matching asset and liability is significant enough to depress the underlying rate of return earned on the asset class. The rate of return earned on the underlying assets excluding this large class of asset was 1.6% for line 28. This return is largely due to returns on derivative instruments, namely put options, swaptions and swaps. These derivatives are used to match liabilities of a similar nature, e.g. guarantee costs and guaranteed annuity options (GAOs). The cost of these has increased by a similar amount over the period.

£2.77bn of the assets stated in line 24 relate to a loan note which has a corresponding current liability. The loan note does not yield a return on assets.

#### **\*4806\* - Investment returns shown in column 5**

The investment returns shown in line 21-28 of column 5 represent the returns on each category of assets backing asset shares as provided by our fund managers.

##### **Royal London IB & OB Subfund**

The weighted average return shown in line 29 has been calculated using the assets backing “all other business” asset shares as described in note 4801, not the weights shown in column 2.

##### **Refuge Assurance IB Subfund**

The weighted average return shown in line 29 has been calculated using the assets backing asset shares as described in note 4801, not the weights shown in column 2.

##### **United Friendly OB Subfund**

The weighted average return shown in line 29 has been calculated using the assets backing “all other business” asset shares as described in note 4801, not the weights shown in column 2.

##### **Scottish Life Fund**

The asset mix of the portfolio used to back with-profits asset shares is described in note 4801. This portfolio is larger than the value of assets backing deposit administration business and it has been used to calculate the investment returns shown in lines 21-29 of column 5.

##### **Royal Liver Assurance Fund**

The weighted average return shown in line 29 has been calculated using the assets backing asset shares as described in note 4801, not the weights shown in column 2.

##### **Royal London (CIS) OB & IB Subfund**

The weighted average return in line 29 has been calculated using the assets backing asset shares for the “traditional with-profits policies” as described in note 4801

## Returns under the Accounts and Statements Rules

### Supplementary Notes (continued)

Name of insurer	The Royal London Mutual Insurance Society Limited
Global business	
Financial year ended	31 December 2015

#### **\*4901\* - Credit rating agency**

The credit ratings used to classify the other fixed interest securities have been provided by Standard & Poor's Corporation. If a rating was not available then Moody's Investors Service ratings were used as a second source and Fitch Ratings has been used as a third source.

#### **\*5101\* - Number of contracts**

The company does not maintain scheme member records for certain group life and pension schemes. The number of such schemes split by product code is:

Product code	Number of schemes
210	10
410	11
411	1
440	6

#### **\*5102\* - Approximations in estimating numbers of policyholders**

Where practical we have eliminated double counting of scheme members between risk and retirement benefits. It has not proved practical to eliminate double counting between certain final salary retirement and risk benefits. For certain money purchase pensions we have set the policyholder count in respect of the scheduled risk benefits to be nil.

#### **\*5103\* - Miscellaneous product code**

Product Code 435 (Miscellaneous non-profit) in the Royal London (CIS) OB & IB Subfund includes 6,046 stand-alone Income Benefit policies, including those in payment, with a mathematical reserve of £637,720.

Product Code 205 (Miscellaneous conventional with-profits) in the Royal London (CIS) OB & IB Subfund UK Life/Gross includes 2,602 Income Benefit policies attaching to conventional with-profits policies, with a mathematical reserve of -£188,896.

#### **\*5104\* - Approximations used to apportion between product codes**

Certain whole life and endowment assurance contracts contain additional benefits and do not naturally fall into a single product code. These contracts have been allocated to product codes 100, 105 and 130 as appropriate in line with the predominant benefit and the product description amended.

#### **\*5105\* - Inter-subfund payments**

Under the Scottish Life Schedule 2C Scheme, certain inter-subfund payments are due from the Scottish Life Fund to the Royal London IB & OB Subfund where the value of such amounts would normally be inadmissible. FSA issued the Society individual guidance which requires the long term insurance liabilities in the Scottish Life Fund to be increased by £38,521,931 in Form 51 Pension. The long term insurance liabilities in the Royal London IB & OB Subfund have been reduced by £38,521,931 in Form 51 Pension.

Under the Royal Liver Instrument of Transfer, certain inter-subfund payments are due from the Royal Liver Assurance Fund to the Royal London IB & OB Subfund where the value of such amounts would normally be inadmissible. The long term insurance liabilities in the Royal Liver Assurance Fund have been increased by £116,956,534, £5,696,897 and £93,465,415 in Form 51 Life, Pension and Overseas respectively. The long term liabilities in the Royal London IB & OB Subfund have been reduced by £116,956,534, £5,696,897 and £93,465,415 in Form 51 Life, Pension and Overseas respectively.

Under the Royal London (CIS) Part VII transfer, certain inter-subfund payments are due from the Royal London (CIS) Subfund to the Royal London IB & OB Subfund where the value of such amounts would normally be inadmissible. The long term insurance liabilities in the Royal London (CIS) OB & IB Subfund have been increased by £125,174,388 and £280,836,599 in Form 51 Life and Pension respectively. The long term liabilities in the Royal London IB & OB Subfund have been reduced by £125,174,388 and £280,836,599 in Form 51 Life and Pension respectively.

## Returns under the Accounts and Statements Rules

### Supplementary Notes (continued)

Name of insurer	The Royal London Mutual Insurance Society Limited
Global business	
Financial year ended	31 December 2015

#### **\*5106\* - Number of contracts**

To avoid double counting, the number of policyholders/scheme members in respect of contracts offering a choice of investment funds, in addition to property linked has been scheduled entirely in Form 53. The corresponding numbers in Form 51 and Form 52 have been set to nil.

#### **\*5202\* - Approximations in estimating numbers of policyholders**

Where practical we have eliminated double counting of scheme members between risk and retirement benefits. For certain money purchase pensions we have set the policyholder count in respect of the scheduled risk benefits to be nil.

#### **\*5203\* - Miscellaneous product code**

Single premium Insurance ISA contracts have been allocated to miscellaneous product code 575 in the Royal London IB & OB Subfund and in the Royal London (CIS) OB & IB Subfund.

#### **\*5204\* – Approximations used to apportion between product codes - Royal London (CIS) Subfund**

In the case of regular premium ISA policies for which an overflow contract has been set up to receive contributions in excess of the ISA limits, the ISA and overflow contracts have been treated as a single contract for the purpose of calculating mathematical reserves. The mathematical reserves for the combined contract have been divided between the ISA and overflow contracts in proportion to the current benefit values shown on Form 52. The overflow contracts and their mathematical reserves are included in the amounts shown in respect of the Life UWP whole life regular premium product code. No division of the annual premiums payable has been attempted, the total annual premium amount being shown with the ISA policies.

In the case of policies consisting of both regular and single premium elements, the elements have been treated as a single contract for the purpose of calculating the mathematical reserves. The mathematical reserves have been divided between the regular and single premium elements in proportion to the current benefit values shown on Form 52.

The contracts classified as product code 525 (Individual Pensions UWP) relate to with-profits Stakeholder Pensions and with-profits Individual Personal Pensions, with unit reserves and non-unit reserves shown on separate sheets. For the 5,934 policies with both with-profits and property linked funds, the contracts have been treated as a single contract for the purpose of calculating mathematical reserves. The mathematical reserves for the combined contract have been divided between the with-profits and property linked contracts in proportion to either the current benefit values or annual premiums shown on Forms 52 and 53. The amount of benefit, premium and other liabilities shown on Form 52 relate solely to accumulating with-profits business.

109 of the contracts classified as product code 535 (Group Money Purchase Pensions UWP) have investments in property linked funds. Each of these contracts has been treated as a single contract for the purpose of calculating mathematical reserves. The mathematical reserves for the combined contract have been divided between the with-profits and property linked contracts in proportion to either the current benefit values or annual premiums shown on Forms 52 and 53. The amount of benefit, premium and other liabilities shown on Form 52 relate solely to accumulating with-profits business.

#### **\*5205\* - Liability internally reassured between the Royal London IB & OB Subfund and other funds**

Certain former Scottish Life contracts issued prior to 1 July 2001 may contain accumulating with-profits units and/or property linked units. Accumulating with-profits liabilities of £14,240,533 in respect of life business and £140,877,216 for pension business are wholly reassured into the Scottish Life Fund from the Royal London IB & OB Subfund. Liability and death benefits relating to accumulating with-profits units are shown on the respective forms.

Certain former PLAL contracts may contain accumulating with-profits units and/or property linked units. Accumulating with-profits liabilities of £147,733,836 in respect of life business and £158,964,592 for pension business are wholly reassured into the PLAL With-Profits Fund from the Royal London IB & OB Subfund. Liability and death benefits relating to accumulating with-profits units are shown on the respective forms.

## Returns under the Accounts and Statements Rules

### Supplementary Notes (continued)

Name of insurer The Royal London Mutual Insurance Society Limited  
Global business  
Financial year ended 31 December 2015

#### **\*5206\* - Inter-subfund payments**

Under the Scottish Life Schedule 2C Scheme, certain inter-subfund payments are due from the Scottish Life Fund to the Royal London IB & OB Subfund where the value of such amounts would normally be inadmissible. FSA issued the Society individual guidance which requires the long term insurance liabilities in the Scottish Life Fund to be increased by £1,106,397 in Form 52 Life and by £15,938,203 in Form 52 Pension. The long term insurance liabilities in the Royal London IB & OB Subfund have been reduced by £1,106,397 in Form 52 Life and by £15,938,203 in Form 52 Pension respectively.

Under the Royal Liver Instrument of Transfer, certain inter-subfund payments are due from the Royal Liver Assurance Fund to the Royal London IB & OB Subfund where the value of such amounts would normally be inadmissible. The long term insurance liabilities in the Royal Liver Assurance Fund have been increased by £591,235, £40,181,308 and £11,747,235 in Form 52 Life, Pension and Overseas respectively. The long term liabilities in the Royal London IB & OB Subfund have been reduced by £591,235, £40,181,308 and £11,747,235 in Form 52 Life, Pension and Overseas respectively.

Under the Royal London (CIS) Part VII transfer, certain inter-subfund payments are due from the Royal London (CIS) Subfund to the Royal London IB & OB Subfund where the value of such amounts would normally be inadmissible. The long term insurance liabilities in the Royal London (CIS) OB & IB Subfund have been increased by £77,639,584 and £5,850,123 in Form 52 Life and Pension respectively. The long term liabilities in the Royal London IB & OB Subfund have been reduced by £77,639,584 and £5,850,123 in Form 52 Life and Pension respectively.

#### **\*5207\* - Number of contracts**

To avoid double counting, the number of policyholders/scheme members in respect of contracts offering a choice of investment funds, in addition to property linked has been scheduled entirely in Form 53. The corresponding numbers in Form 51 and Form 52 have been set to nil.

#### **\*5301\* - Number of contracts**

The company does not maintain scheme member records for certain group pension schemes. The number of such schemes split by product code is:

Product code	Number of schemes
735	90
755	90

#### **\*5302\* - Approximations in estimating numbers of policyholders**

Where practical we have eliminated double counting of scheme members between risk and retirement benefits. It has not proved practical to eliminate double counting between certain final salary retirement and risk benefits.

#### **\*5304\* - Approximations used to apportion between product codes**

Certain whole life assurance contracts contain additional benefits and do not naturally fall into a single product code. These contracts have been allocated to product code 710 and the product description amended.

The contracts described as 725 (Individual Pensions Property Linked) in the Royal London (CIS) Subfund relate to property linked stakeholder pensions and property linked Individual Personal Pensions. 5,934 of these also have with-profits investment elements and are shown on Form 52. For these policies, the with-profits and property linked contracts have been treated as a single contract for the purpose of calculating mathematical reserves. The mathematical reserves for the combined contract have been divided between the with-profits and property linked contracts in proportion to either the current benefit values or annual premiums shown on Forms 52 and 53. The amount of benefit, premium and other liabilities shown on Form 53 relate solely to property linked business.

Returns under the Accounts and Statements Rules

Supplementary Notes (continued)

Name of insurer	The Royal London Mutual Insurance Society Limited
Global business	
Financial year ended	31 December 2015

**\*5305\* - Liability internally reassured between the Scottish Life Fund and the Royal London IB & OB Subfund**

Certain former Scottish Life pension contracts issued prior to 1 July 2001 may contain conventional with-profits and/or property linked benefits. The property linked liability of £977,666,326 is wholly reassured into the Royal London IB & OB Subfund from the Scottish Life Fund. Liability and death benefits relating to accumulating with-profits units are shown on the respective forms.

**\*5306\* - Inter-subfund payments**

Under the Royal Liver Instrument of Transfer, certain inter-subfund payments are due from the Royal Liver Assurance Fund to the Royal London IB & OB Subfund where the value of such amounts would normally be inadmissible. The long term insurance liabilities in the Royal Liver Assurance Fund have been increased by £2,147,768, £20,088,398 and £1,432,835 in Form 53 Life, Pension and Overseas respectively. The long term liabilities in the Royal London IB & OB Subfund have been reduced by £2,147,768, £20,088,398 and £1,432,835 in Form 53 Life, Pension and Overseas respectively.

Under the Royal London (CIS) Part VII transfer, certain inter-subfund payments are due from the Royal London (CIS) Subfund to the Royal London IB & OB Subfund where the value of such amounts would normally be inadmissible. The long term insurance liabilities in the Royal London (CIS) OB & IB Subfund have been increased by £6,879,944 in Form 53 Pensions. The long term liabilities in the Royal London IB & OB Subfund have been reduced by £6,879,944 in Form 53 Pensions.

**\*5307\* - Number of contracts**

To avoid double counting, the number of policyholders/scheme members in respect of contracts offering a choice of investment funds, in addition to property linked has been scheduled entirely in Form 53. The corresponding numbers in Form 51 and Form 52 have been set to nil.

**\*5600\* - Omission of Form 56**

Form 56 has been omitted as index-linked assets are below the de-minimis limit.

## Returns under the Accounts and Statements Rules

### Supplementary Notes (continued)

Name of insurer	The Royal London Mutual Insurance Society Limited
Global business	
Financial year ended	31 December 2015

#### **\*5701\* - Treatment of negative reserves**

##### **Royal London IB & OB Subfund**

Any negative sterling reserves in either Form 52 or Form 53 have been combined with positive sterling reserves calculated at the same interest rate for the same type of business in the same form. Negative reserves on Form 51 have been offset against positive reserves calculated at the same rate of interest.

UK L&GA OB WP Form 52 Non-Unit Reserves (excl PLAL ISA and ex RLA code 610) comprises £1,106,397 of negative asset share charges offset against £1,184,377 of sterling reserves.

UK Pens OB WP Form 52 Non-Unit Reserves (Excl GAR, Pensions Review and ex RLA code 610) comprises £9,999,456 of negative asset share charges offset against expense provisions of £2,713,875 and sterling reserves of £10,096,230

UK L&GA RL, ex CL, ex RA, ex SL, ex UFI, ex UFLA, ex SMA, ex SPL and ex PLAL OB NP Form 51 Assurances (except PHI and gross roll up protection (GRB)) includes negative reserves of £80,105,718 relating to protection business written by Royal London, Bright Grey, SMA, SPL and PLAL. These are partly offset against larger positive non-profit and with-profits reserves calculated at the same rate of interest.

UK L&GA gross roll up and Pens RL, ex CL, ex PLAL ex RA, ex SMA, ex UFI and ex UFLA OB NP Form 51 Assurances includes negative reserves of £152,386,073 relating to protection business written within Royal London, Bright Grey, PLAL and SMA. These are partly offset against larger positive non-profit and with-profits reserves calculated at the same interest rate.

Misc includes £44,460,678 of negative asset share charges in Forms 51 and 52, £292,307,624 of Liver charges in Forms 51, 52 and 53, £496,380,637 of Royal London (CIS) charges in Forms 51, 52 and 53, £1,796,913 negative reserves in relation to OLAB term assurances in Form 51 and £31,639,123 negative reserves in relation to PHI business. These were partly offset against £100,028,125 of Form 51 late vesting pension reserves, £559,477,307 expense provisions in respect of Royal Liver and Royal London (CIS) business and £11,361,109 of other reserves.

#### **\*5702\* – Royal Liver Assurance Fund**

Due to the tax position of the Royal Liver Assurance Fund, all of the business in the fund is valued using gross of tax valuation discount rates.

#### **\*5901\* – Calculation of surrender values**

Certain surrender values are calculated using an asset share approach. Therefore, there is no separately identifiable terminal bonus element. Where this approach applies, the relevant cell in column 4 has been left blank.

## Returns under the Accounts and Statements Rules

Statement required by Rule 9.29 of the Interim Prudential Sourcebook for Insurers

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

### Derivative contracts

The following additional information is provided pursuant to regulation 9.29 of the Interim Prudential Sourcebook for Insurers.

- (a) Investment guidelines for the use of derivative contracts were operated by the Insurer. These form part of the overall limits on investment detailed in an agreement between the Insurer and its wholly owned investment management subsidiary. In particular, in relation to derivatives, limitations are in place in relation to warrants, futures, contracts for differences and forward foreign exchange contracts.

All derivatives are held for the purposes of reduction in investment risk or efficient portfolio management. In particular derivatives are used to match contractual liabilities. The Insurer maintains assets which, as far as can reasonably be foreseen, will match the obligations under the contract and from which these obligations can be fulfilled.

- (b) There are no specific investment guidelines relating to the use of contracts which were not, at the time of entry, reasonably likely to be exercised. The Company has not used any derivative contracts during the last year which were not, at the time the contracts were entered into, reasonably likely to be exercised.
- (c) The Insurer's exposure during the year to contracts of the kind described in section (b) was confined to the use of derivatives in connection with options granted to policyholders that were reasonably likely to be exercised.
- (h) During the financial year the Insurer has not held any derivative contract for which a significant provision needed to be made under INSPRU 3.2.17R or which was not a permitted derivative contract.
- (i) During the financial year the Insurer received sub-underwriting commissions of £0.15m.

Returns under the Accounts and Statements Rules

Statement required by Rule 9.30 of the Interim Prudential Sourcebook for Insurers

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

**Shareholder controllers**

The following additional information is provided pursuant to Rule 9.30 of the Interim Prudential Sourcebook for Insurers.

The Insurer is a mutual insurer and therefore has no shareholder controllers.

Returns under the Accounts and Statements Rules

Directors' certificate pursuant to Rule 9.34 and Appendix 9.6 of the Interim Prudential Sourcebook for Insurers

Name of insurer

The Royal London Mutual Insurance Society Limited

Global business

Financial year ended

31 December 2015

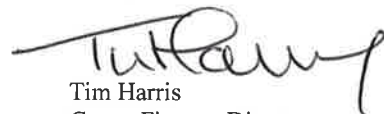
We certify that:

- (a) the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU;
- (b) we are satisfied that:
  - (i) throughout the financial year, the Insurer has complied in all material respects with the requirements in SYSC and Fundamental Rules as well as the provisions of IPRU(INS), GENPRU and INSPRU;
- (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 enable the Insurer to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;
- (d) the sum of the mathematical reserves and the deposits received from reinsurers 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) the with-profits funds have been managed in accordance with the Principles and Practices of Financial Management, as established, maintained and recorded under COBS 20.3; and
- (f) we have, in preparing the return, taken and paid due regard to:
  - (i) advice from every actuary appointed by the Insurer to perform the actuarial function in accordance with SUP 4.3.13R; and
  - (ii) advice from every actuary appointed by the Insurer to perform the with-profits actuary function in accordance with SUP 4.3.16AR of the FCA Handbook and SUP 4.3.16R of the PRA Handbook.

The certificate required by IPRU(INS) Appendix 9.6 paragraph 1(1)(b)(ii) in respect of compliance since the end of the financial year in question with the requirements in SYSC, Fundamental Rules and the provisions of IPRU(INS), GENPRU and INSPRU and ongoing compliance has not been provided. This is because these requirements have been replaced as from 1 January 2016, the commencement date of Solvency II, so the firm is subject to a new regulatory regime.



Phil Loney  
Group Chief Executive



Tim Harris  
Group Finance Director



Jon Macdonald  
Director

31<sup>st</sup> March 2016



Returns under the Accounts and Statements Rules

Independent auditors' report to the directors pursuant to Rule 9.35 of the Interim Prudential Sourcebook for Insurers (continued)

Name of insurer The Royal London Mutual Insurance Society Limited

Global business

Financial year ended 31 December 2015

**Opinion**

In our opinion:

(i) the Forms, the statement and the valuation reports 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 reports appropriately reflect the requirements of INSPRU 1.2 and 1.3.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London  
SE1 2RT

31 March 2016

*Note:*

- (a) The maintenance and integrity of the The Royal London Mutual Insurance Society Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the insurance annual return since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of insurance annual returns may differ from legislation in other jurisdictions

Returns under the Accounts and Statements Rules

Information on the actuary appointed to perform the with-profits actuary function

Name of company                                      The Royal London Mutual Insurance Society Limited

Global business

Financial year ended                                      31 December 2015

Pursuant to Rule 9.36 of the Interim Prudential Sourcebook for Insurers, The Royal London Mutual Insurance Society Limited (the Society) has made a request to Mr Stephen Wilson, who was the actuary appointed to perform the with-profits actuary function, to furnish to it the particulars specified in paragraph (1) of the aforesaid Rule. The following are the particulars identified pursuant to that request:

- a. The actuary appointed to perform the with-profits actuary function had at no time in the year any interest in any shares in, or debentures of, any subsidiary of the Society (the Society itself is a mutual company). Nor did he have any interest in the guaranteed subordinated notes.
- b. The actuary appointed to perform the with-profits actuary function had no interest at any time in the year in any transaction between himself and the Society, or a subsidiary thereof.
- c. The aggregate amount of the remuneration paid to the actuary appointed to perform the with-profits actuary function in 2015 and the value of other benefits granted to him, excluding pension fund contributions, was £430,883.
- d. The only other pecuniary benefit was membership of the Royal London Group Pension Scheme ("the Scheme"). Mr Wilson was a deferred member of the Scheme throughout the year.