

St. James's Place UK plc

**Annual PRA Insurance Returns for the year ended
31st December 2015**



**BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY**

(Appendices 9.1, 9.3, 9.4, 9.6)

St. James's Place UK plc

Year ended 31st December 2015

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Statement of solvency - long-term insurance business

Form 2

Name of insurer **St. James's Place UK plc**

Global business

Financial year ended **31st December 2015**

Adjusted solo solvency calculation

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
R2	2628062	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	11	111999	110024
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	34799	23896
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	146798	133920

Guarantee fund

Guarantee fund requirement	21	13108	13683
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	133690	120237

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31	39325	41049
Resilience capital requirement	32	2727	3229
Base capital resources requirement	33	2657	2902
Individual minimum capital requirement	34	42052	44278
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	42052	44278
Excess (deficiency) of available capital resources to cover 50% of MCR	37	125772	111780
Excess (deficiency) of available capital resources to cover 75% of MCR	38	115259	100711

Enhanced capital requirement

With-profits insurance capital component	39		
Enhanced capital requirement	40	42052	44278

Capital resources requirement (CRR)

Capital resources requirement (greater of 36 and 40)	41	42052	44278
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	104746	89642

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51		
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Components of capital resources
**Form 3
(Sheet 1)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2015**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	2628062	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			

Core tier one capital

Permanent share capital	11		110000	110000	110000
Profit and loss account and other reserves	12		671628	671628	593128
Share premium account	13				
Positive valuation differences	14		(37188)	(37188)	4418
Fund for future appropriations	15				
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19		744440	744440	707546

Tier one waivers

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

Other tier one capital

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

Total tier one capital before deductions (19+24+25+26+27+28)	31		744440	744440	707546
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37				
Total tier one capital after deductions (31-37)	39		744440	744440	707546

Components of capital resources
**Form 3
(Sheet 2)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2015**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	2628062	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		(20000)	(20000)	
Upper tier two capital in related undertakings	47				
Upper tier two capital (44 to 47)	49		(20000)	(20000)	

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

Total tier two capital before restrictions (49+59)	61		(20000)	(20000)	
Excess tier two capital	62				
Further excess lower tier two capital	63				
Total tier two capital after restrictions, before deductions (61-62-63)	69		(20000)	(20000)	

Components of capital resources
**Form 3
(Sheet 3)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2015**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	2628062	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			

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72		724440	724440	707546
Inadmissible assets other than intangibles and own shares	73		577642	577642	573626
Assets in excess of market risk and counterparty limits	74				
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Deductions of ineligible surplus capital	77				
Total capital resources after deductions (72-73-74-75-76-77)	79		146798	146798	133920

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81		146798	146798	133920
Available capital resources for 50% MCR requirement	82		146798	146798	133920
Available capital resources for 75% MCR requirement	83		146798	146798	133920

Financial engineering adjustments

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

Name of insurer **St. James's Place UK plc**

Global business

Financial year ended **31st December 2015**

Long-term insurance business

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
R11	2628062	GL	31	12	2015	£000
			This financial year		Previous year	
			1		2	
Gross premiums written		11	9714		9970	
Premiums taxes and levies (included in line 11)		12				
Premiums written net of taxes and levies (11-12)		13	9714		9970	
Premiums for classes 11, 12 or 13 (included in line 13)		14				
Premiums for "actuarial health insurance" (included in line 13)		15	9714		9970	
Sub-total A (13 + 1/2 14 - 2/3 15)		16	3238		3323	
Gross premiums earned		21	9714		9970	
Premium taxes and levies (included in line 21)		22				
Premiums earned net of taxes and levies (21-22)		23	9714		9970	
Premiums for classes 11, 12 or 13 (included in line 23)		24				
Premiums for "actuarial health insurance" (included in line 23)		25	9714		9970	
Sub-total H (23 + 1/2 24 - 2/3 25)		26	3238		3323	
Sub-total I (higher of sub-total A and sub-total H)		30	3238		3323	
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	583		598	
	Excess (if any) over 61.3M EURO x 0.02	33				
Sub-total J (32-33)		34	583		598	
Claims paid in period of 3 financial years		41	37440		37494	
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis	42	24336		26616	
	For insurance business accounted for on an accident year basis	43				
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis	44	25468		25705	
	For insurance business accounted for on an accident year basis	45				
Sub-total C (41+42+43-44-45)		46	36308		38405	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47	29812		31354	
Sub-total D (46-47)		48	6496		7051	
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	292		299	
Provisions for claims outstanding (before discounting and net of reinsurance)		51	4883		5690	
Provisions 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	476		505	
Greater of lines 50 and 53		54	476		505	

Calculation of general insurance capital requirement - claims amount and result

Form 12

Name of insurer **St. James's Place UK plc**

Global business

Financial year ended **31st December 2015**

Long-term insurance business

		Company registration number	GL/UK/CM	Period ended			units	
		R12	2628062	GL	31	12	2015	£000
				This financial year		Previous year		
				1		2		
Reference period (No. of months) See <i>INSPRU</i> 1.1.63R		11			36		36	
Claims paid in reference period		21			37440		37494	
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis	22			24336		26616	
	For insurance business accounted for on an accident year basis	23						
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis	24			25468		25705	
	For insurance business accounted for on an accident year basis	25						
Claims incurred in reference period (21+22+23-24-25)		26			36308		38405	
Claims incurred for classes 11, 12 or 13 (included in 26)		27						
Claims incurred for "actuarial health insurance" (included in 26)		28			36308		38405	
Sub-total E (26 + 1/2 27 - 2/3 28)		29			12103		12802	
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			4034		4267	
Division of sub-total F (gross adjusted claims amount)	X 0.26	32			1049		1109	
	Excess (if any) over 42.9M EURO x 0.03	33						
Sub-total G (32 - 33)		39			1049		1109	
Claims amount Sub-total G x reinsurance ratio (11.49)		41			525		555	
Higher of premiums amount and brought forward amount (11.54)		42			476		505	
General insurance capital requirement (higher of lines 41 and 42)		43			525		555	

Analysis of admissible assets
**Form 13
(Sheet 1)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2015**

 Category of assets **Total other than Long-term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	R13	2628062	GL	31	12	2015	£000	1
							As at end of this financial year	As at end of the previous year
							1	2
Land and buildings			11					

Investments in group undertakings and participating interests

UK insurance dependants	shares	21		
	debts and loans	22		
Other insurance dependants	shares	23		
	debts and loans	24		
Non-insurance dependants	shares	25	17125	
	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	157112	132100
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		

Analysis of admissible assets
**Form 13
(Sheet 2)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2015**

 Category of assets **Total other than Long-term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	R13	2628062	GL	31	12	2015	£000	1
							As at end of this financial year	As at end of the previous year
							1	2
Deposits with ceding undertakings				57				
Assets held to match linked liabilities		Index linked		58				
		Property linked		59				

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	12130	16722
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	8432	74
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	194799	148896
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Analysis of admissible assets
**Form 13
(Sheet 3)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2015**

 Category of assets **Total other than Long-term insurance business assets**

R13	Company registration number	GL/UK/CM	Period ended			units	Category of assets
			day	month	year		
	2628062	GL	31	12	2015	£000	1
			As at end of this financial year			As at end of the previous year	
			1			2	

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

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	194799	148896
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	(12130)	(16722)
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	182669	132174

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		
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Analysis of admissible assets
**Form 13
(Sheet 1)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2015**

 Category of assets **Total Long-term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	R13	2628062	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				

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	178543	237080
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	
	Other	46	
Variable interest securities	Approved	47	33473
	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		

Analysis of admissible assets
**Form 13
(Sheet 2)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2015**

 Category of assets **Total Long-term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	R13	2628062	GL	31	12	2015	£000	10
							As at end of this financial year	As at end of the previous year
							1	2
Deposits with ceding undertakings				57				
Assets held to match linked liabilities		Index linked		58				
		Property linked		59		38259240		34316466

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	38139	29737
	Intermediaries	72	35873	34968
Salvage and subrogation recoveries	73			
Reinsurance	Accepted	74		
	Ceded	75	1736	2554
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	128514	81197
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	57654	98197
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	278	277
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	28266	25250

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	38761716	34860454
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Analysis of admissible assets
**Form 13
(Sheet 3)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2015**

 Category of assets **Total Long-term insurance business assets**

R13	Company registration number	GL/UK/CM	Period ended			units	Category of assets
			day	month	year		
	2628062	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)	91	38761716	34860454
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	514141	563928
Reinsurers' share of technical provisions excluded from line 89	100	80419	80534
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	39356276	35504916

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		
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Long-term insurance business liabilities and margins
Form 14

Name of insurer **St. James's Place UK plc**

Global business

Financial year ended **31st December 2015**

Fund **Total Long-term insurance business**

Units **£000**

		As at the end of this financial year	As at the end of the previous year	
		1	2	
Mathematical reserves, after distribution of surplus	11	38117524	34177611	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12			
Balance of surplus / (valuation deficit)	13	111999	110024	
Long term insurance business fund carried forward (11 to 13)	14	38229523	34287635	
Claims outstanding	Gross	15	95600	69981
	Reinsurers' share	16	4039	3941
	Net (15-16)	17	91561	66040
Provisions	Taxation	21	103337	100114
	Other risks and charges	22		
Deposits received from reinsurers	23			
Creditors	Direct insurance business	31	23730	28441
	Reinsurance accepted	32		
	Reinsurance ceded	33	15806	17071
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions	36			
Creditors	Taxation	37	246392	307919
	Other	38	16004	18391
Accruals and deferred income	39	35363	34843	
Provision for "reasonably foreseeable adverse variations"	41			
Total other insurance and non-insurance liabilities (17 to 41)	49	532193	572819	
Excess of the value of net admissible assets	51			
Total liabilities and margins	59	38761716	34860454	
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	34108	9455	
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	38155902	34216352	
Total liabilities (11+12+49)	71	38649717	34750430	
Increase to liabilities – DAC related	72	86766	106246	
Reinsurers' share of technical provisions	73	80419	80534	
Other adjustments to liabilities (may be negative)	74	(79585)	(3248)	
Capital and reserves and fund for future appropriations	75	618959	570954	
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	76	39356276	35504916	

Liabilities (other than long-term insurance business)
Form 15

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2015**

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
R15	2628062	GL	31	12	2015	£000
			As at the end of this financial year		As at the end of the previous year	
			1		2	

Technical provisions (gross amount)

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

Provisions and creditors

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers		31		
Creditors	Direct insurance business	41		
	Reinsurance accepted	42		
	Reinsurance ceded	43		
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions		46		
Creditors	Taxation	47		
	Foreseeable dividend	48	140000	125000
	Other	49		
Accruals and deferred income		51		
Total (19 to 51)		59	140000	125000
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63	20000	
Total (59 to 63)		69	160000	125000

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance		71		
---	--	-----------	--	--

Amounts deducted from technical provisions for discounting		82		
Other adjustments (may be negative)		83	(140000)	(125000)
Capital and reserves		84	162669	132174
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)		85	182669	132174

Profit and loss account (non-technical account)
Form 16

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2015**

		Company registration number	GL/UK/CM	Period ended			units	
		R16	2628062	GL	31	12	2015	£000
				This financial year		Previous year		
				1		2		
Transfer (to) / from the general insurance business technical account	From Form 20	11						
	Equalisation provisions	12						
Transfer from the long term insurance business revenue account		13		140000			125000	
Investment income	Income	14		33			30	
	Value re-adjustments on investments	15						
	Gains on the realisation of investments	16					46402	
Investment charges	Investment management charges, including interest	17						
	Value re-adjustments on investments	18					46378	
	Loss on the realisation of investments	19						
Allocated investment return transferred to the general insurance business technical account		20						
Other income and charges (particulars to be specified by way of supplementary note)		21		(88)				
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29		139945			125054	
Tax on profit or loss on ordinary activities		31		(10958)			(16722)	
Profit or loss on ordinary activities after tax (29-31)		39		150903			141776	
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41						
Tax on extraordinary profit or loss		42						
Other taxes not shown under the preceding items		43						
Profit or loss for the financial year (39+41-(42+43))		49		150903			141776	
Dividends (paid or foreseeable)		51		140000			125000	
Profit or loss retained for the financial year (49-51)		59		10903			16776	

Long-term insurance business: Revenue account

Form 40

Name of insurer **St. James's Place UK plc**

Name and number of fund/Summary **Total Long-term insurance business**

Financial year ended **31st December 2015**

Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11	5550031	4494726
Investment income receivable before deduction of tax	12	1016302	886807
Increase (decrease) in the value of non-linked assets brought into account	13	(1255)	2239
Increase (decrease) in the value of linked assets	14	326093	1676371
Other income	15	112	
Total income	19	6891283	7060143

Expenditure

Claims incurred	21	2464502	1938181
Expenses payable	22	281643	274520
Interest payable before deduction of tax	23		
Taxation	24	44219	140366
Other expenditure	25	19031	20618
Transfer to (from) non technical account	26	140000	125000
Total expenditure	29	2949395	2498685

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	3941888	4561458
Fund brought forward	49	34287635	29726177
Fund carried forward (39+49)	59	38229523	34287635

Long-term insurance business: Analysis of premiums

Form 41

Name of insurer **St. James's Place UK plc**
 Total business / subfund **Total Long-term insurance business**
 Financial year ended **31st December 2015**
 Units **£000**

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

Gross

Regular premiums	11	31420	411138		442558	390523
Single premiums	12	1720060	3410872		5130932	4128876

Reinsurance - external

Regular premiums	13	22840	619		23459	24673
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17	8580	410519		419099	365850
Single premiums	18	1720060	3410872		5130932	4128876

Total

Gross	19	1751480	3822010		5573490	4519399
Reinsurance	20	22840	619		23459	24673
Net	21	1728640	3821391		5550031	4494726

Long-term insurance business: Analysis of claims

Form 42

Name of insurer **St. James's Place UK plc**
 Total business / subfund **Total Long-term insurance business**
 Financial year ended **31st 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	110624	27258	137882	120775
Disability periodic payments	12	2085		2085	2202
Surrender or partial surrender	13	965596	1058072	2023668	1639013
Annuity payments	14				
Lump sums on maturity	15	5876	317106	322982	196454
Total	16	1084181	1402436	2486617	1958444

Reinsurance - external

Death or disability lump sums	21	19285	813	20098	18189
Disability periodic payments	22	1529		1529	1629
Surrender or partial surrender	23	488		488	445
Annuity payments	24				
Lump sums on maturity	25				
Total	26	21302	813	22115	20263

Reinsurance - intra-group

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

Net of reinsurance

Death or disability lump sums	41	91339	26445	117784	102586
Disability periodic payments	42	556		556	573
Surrender or partial surrender	43	965108	1058072	2023180	1638568
Annuity payments	44				
Lump sums on maturity	45	5876	317106	322982	196454
Total	46	1062879	1401623	2464502	1938181

Long-term insurance business: Analysis of expenses

Form 43

Name of insurer **St. James's Place UK plc**
 Total business / subfund **Total Long-term insurance business**
 Financial year ended **31st December 2015**
 Units **£000**

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

Gross

Commission - acquisition	11	942	(1706)	(764)	(993)
Commission - other	12	59821	38446	98267	100178
Management - acquisition	13	44273	25802	70075	58767
Management - maintenance	14	66639	38836	105475	108325
Management - other	15	5427	3163	8590	8243
Total	16	177102	104541	281643	274520

Reinsurance - external

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

Reinsurance - intra-group

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

Net of reinsurance

Commission - acquisition	41	942	(1706)	(764)	(993)
Commission - other	42	59821	38446	98267	100178
Management - acquisition	43	44273	25802	70075	58767
Management - maintenance	44	66639	38836	105475	108325
Management - other	45	5427	3163	8590	8243
Total	46	177102	104541	281643	274520

Long-term insurance business: Linked funds balance sheet

Form 44

Name of insurer **St. James's Place UK plc**

Total business

Financial year ended **31st December 2015**

Units **£000**

	Financial year	Previous year
	1	2

Internal linked funds (excluding cross investment)

Directly held assets (excluding collective investment schemes)	11	7422355	6117796
Directly held assets in collective investment schemes of connected companies	12	31382623	28337887
Directly held assets in other collective investment schemes	13	187745	180635
Total assets (excluding cross investment) (11+12+13)	14	38992723	34636318
Provision for tax on unrealised capital gains	15	103337	100114
Secured and unsecured loans	16		
Other liabilities	17	728972	315119
Total net assets (14-15-16-17)	18	38160414	34221085

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	38160414	34221085
Surplus units	32	5931	5191
Deficit units	33	1420	458
Net unit liability (31-32+33)	34	38155903	34216352

Long-term insurance business: revenue account for internal linked funds

Form 45

Name of insurer **St. James's Place UK plc**

Total business

Financial year ended **31st December 2015**

Units **£000**

	Financial year	Previous year
	1	2

Income

Value of total creation of units	11	4421965	3566454
Investment income attributable to the funds before deduction of tax	12	600704	514802
Increase (decrease) in the value of investments in the financial year	13	804155	2121359
Other income	14		
Total income	19	5826824	6202615

Expenditure

Value of total cancellation of units	21	1065425	786654
Charges for management	22	542656	505242
Charges in respect of tax on investment income	23	48870	50322
Taxation on realised capital gains	24	21414	66724
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25	3223	21775
Other expenditure	26	205907	184857
Total expenditure	29	1887495	1615574

Increase (decrease) in funds in financial year (19-29)	39	3939329	4587041
Internal linked fund brought forward	49	34221085	29634044
Internal linked funds carried forward (39+49)	59	38160414	34221085

Long-term insurance business: Summary of new business

Form 46

Name of insurer **St. James's Place UK plc**

Total business

Financial year ended **31st December 2015**

Units **£000**

	UK Life 1	UK Pension 2	Overseas 3	Total Financial year 4	Total Previous year 5
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Number of new policyholders / scheme members for direct insurance business

Regular premium business	11	9	16846		16855	13500
Single premium business	12	12744	51350		64094	50657
Total	13	12753	68196		80949	64157

Amount of new regular premiums

Direct insurance business	21	1179	125379		126558	105056
External reinsurance	22					
Intra-group reinsurance	23					
Total	24	1179	125379		126558	105056

Amount of new single premiums

Direct insurance business	25	1720060	3410872		5130932	4128876
External reinsurance	26					
Intra-group reinsurance	27					
Total	28	1720060	3410872		5130932	4128876

Long-term insurance business: Analysis of new business

**Form 47
(Sheet 1)**

Name of insurer **St. James's Place UK plc**

Total business

Financial year ended **31st December 2015**

Units **£000**

UK Life / Direct insurance business

Product code number 1	Product description 2	Regular premium business		Single premium business	
		Number of policyholders / scheme members 3	Amount of premiums 4	Number of policyholders / scheme members 5	Amount of premiums 6
300	Regular premium non-profit WL/EA OB		55		
325	Level term assurance	7	6		
345	Accelerated critical illness (reviewable premiums)	1	6		
355	Stand-alone critical illness (reviewable premiums)	1	228		
365	Income protection non-profit (reviewable premiums)		86		
380	Miscellaneous protection rider		6		
700	Life property linked single premium			12744	1720060
710	Life property linked whole life regular premium		507		
775	Accelerated critical illness rider		111		
780	Stand-alone critical illness rider		134		
785	Income protection rider		40		

Long-term insurance business: Analysis of new business

**Form 47
(Sheet 2)**

Name of insurer **St. James's Place UK plc**

Total business

Financial year ended **31st 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
725	Individual pensions property linked	16373	112845	44302	2341885
730	Individual pensions property linked - increments		9238		
735	Group money purchase pensions property linked	473	1360	326	5251
740	Group money purchase pensions property linked - increments		1623		
745	DWP National Insurance rebates property linked				2
750	Income drawdown property linked			6718	1061851
755	Trustee investment plan			4	1883
790	Miscellaneous protection rider		313		

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

Form 48

Name of insurer **St. James's Place UK plc**
 Financial year ended **31st December 2015**
 Category of assets **Total Long-term insurance business assets**
 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	33751	33751	653	1.60
UK listed equity shares	15				
Non-UK listed equity shares	16				
Unlisted equity shares	17				
Other assets	18	468725	468725	1950	0.26
Total	19	502476	502476	2603	0.35

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

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

Overall return on with-profits assets

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

Long-term insurance business: Fixed and variable interest assets

Form 49

Name of insurer **St. James's Place UK plc**
 Financial year ended **31st December 2015**
 Category of assets **Total Long-term insurance business assets**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK government approved fixed interest securities	11				
Other approved fixed interest securities	21				
Other fixed interest securities					
AAA/Aaa	31				
AA/Aa	32				
A/A	33				
BBB/Baa	34				
BB/Ba	35				
B/B	36				
CCC/Caa	37				
Other (including unrated)	38				
Total other fixed interest securities	39				
Approved variable interest securities	41	33751	8.00	1.60	1.60
Other variable interest securities	51				
Total (11+21+39+41+51)	61	33751	8.00	1.60	1.60

Long-term insurance business: Summary of mathematical reserves

Form 50

Name of insurer **St. James's Place UK plc**
 Total business / subfund **Total Long-term insurance business**
 Financial year ended **31st December 2015**
 Units **£000**

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

Form 51 - with-profits	11				
Form 51 - non-profit	12	67655		67655	67150
Form 52	13				
Form 53 - linked	14	17250526	20905376	38155902	34216352
Form 53 - non-linked	15	(12927)	(16725)	(29652)	(29300)
Form 54 - linked	16				
Form 54 - non-linked	17				
Total	18	17305254	20888651	38193905	34254202

Reinsurance - external

Form 51 - with-profits	21				
Form 51 - non-profit	22	62732		62732	61602
Form 52	23				
Form 53 - linked	24				
Form 53 - non-linked	25	12720	929	13649	14989
Form 54 - linked	26				
Form 54 - non-linked	27				
Total	28	75452	929	76381	76591

Reinsurance - intra-group

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

Net of reinsurance

Form 51 - with-profits	41				
Form 51 - non-profit	42	4923		4923	5548
Form 52	43				
Form 53 - linked	44	17250526	20905376	38155902	34216352
Form 53 - non-linked	45	(25647)	(17654)	(43301)	(44289)
Form 54 - linked	46				
Form 54 - non-linked	47				
Total	48	17229802	20887722	38117524	34177611

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

Form 51
(Sheet 1)

Name of insurer **St. James's Place UK plc**

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2015**

Units **£000**

UK Life / 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
300	Regular premium non-profit WL/EA OB	623	134148	4031	n/a	n/a	n/a	28597
325	Level term assurance	3775	719439	2487	n/a	n/a	n/a	9434
330	Decreasing term assurance	1092	88013	501	n/a	n/a	n/a	966
335	Decreasing term assurance (rider benefits)	1323	87927	699	n/a	n/a	n/a	982
345	Accelerated critical illness (reviewable premiums)	1585	179244	1141	n/a	n/a	n/a	3862
355	Stand-alone critical illness (reviewable premiums)	2834	392835	3436	n/a	n/a	n/a	8046
365	Income protection non-profit (reviewable premiums)	2417	51726	1923	n/a	n/a	n/a	2943
380	Miscellaneous protection rider		4020		n/a	n/a	n/a	
385	Income protection claims in payment				n/a	n/a	n/a	12825
780	Stand-alone critical illness rider		66234		n/a	n/a	n/a	
785	Income protection rider		9176		n/a	n/a	n/a	

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

Form 51
(Sheet 2)

Name of insurer **St. James's Place UK plc**

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st 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
300	Regular premium non-profit WL/EA OB		134147	4037	n/a	n/a	n/a	27728
325	Level term assurance		719439	2373	n/a	n/a	n/a	9212
330	Decreasing term assurance		87921	277	n/a	n/a	n/a	920
335	Decreasing term assurance (rider benefits)		87462	584	n/a	n/a	n/a	953
345	Accelerated critical illness (reviewable premiums)		179244	976	n/a	n/a	n/a	3774
355	Stand-alone critical illness (reviewable premiums)		392792	3096	n/a	n/a	n/a	7933
365	Income protection non-profit (reviewable premiums)		51591	1641	n/a	n/a	n/a	2896
380	Miscellaneous protection rider		4020		n/a	n/a	n/a	
385	Income protection claims in payment				n/a	n/a	n/a	9316
780	Stand-alone critical illness rider		66234		n/a	n/a	n/a	
785	Income protection rider		9176		n/a	n/a	n/a	

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

**Form 53
(Sheet 1)**

Name of insurer **St. James's Place UK plc**

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2015**

Units **£000**

UK Life / 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
700	Life property linked single premium	171481	17456148		17341381	17075373	(8292)	17067081
710	Life property linked whole life regular premium	4790	1189483	8585	50754	50754	(117)	50637
715	Life property linked endowment regular premium - savings	269	12430	344	12564	12564	10	12574
720	Life property linked endowment regular premium – target cash	2967	130999	3038	79400	79400	37	79437
770	Term assurance rider	2246	147903	455	3550	3550	144	3694
775	Accelerated critical illness rider (reviewable)	2040	201263	1679	6445	6445	383	6828
775	Accelerated critical illness rider		67409					
780	Stand-alone critical illness (reviewable)	1009	142859	1924	3204	3204	767	3971
785	Income protection non-profit (reviewable)	1148	25092	891	74	74	1759	1833
785	Income protection rider		5303					
790	Miscellaneous protection rider		6991					
800	Additional reserves property linked				19162	19162	(19162)	
800	Income protection claims in payment						11544	11544

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

**Form 53
(Sheet 2)**

Name of insurer **St. James's Place UK plc**

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st 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
710	Life property linked whole life regular premium		1139068	4801			(29)	(29)
715	Life property linked endowment regular premium - savings			1				
720	Life property linked endowment regular premium – target cash		43963	334			7	7
770	Term assurance rider		144256	425			137	137
775	Accelerated critical illness rider (reviewable)		194780	1388			363	363
775	Accelerated critical illness rider		67271					
780	Stand-alone critical illness (reviewable)		139846	1661			761	761
785	Income protection non-profit (reviewable)		24909	803			1723	1723
785	Income protection rider		5165					
790	Miscellaneous protection rider		6853					
800	Income protection claims in payment						9758	9758

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

**Form 53
(Sheet 3)**

Name of insurer **St. James's Place UK plc**

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2015**

Units **£000**

UK Pension / 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
725	Individual pensions property linked	378042	17311310	437564	17380756	17105303	(16466)	17088837
735	Group money purchase pensions property linked	13053	476518	17978	464720	460970	1147	462117
750	Income drawdown property linked	18788	2738673		2742178	2686326	(3519)	2682807
755	Trustee investment plan	1166			653420	652777	86	652863
770	Term assurance rider		178348					
790	Miscellaneous protection rider		10223					
800	Additional reserves property linked						1285	1285
800	Income protection claims in payment						742	742

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

**Form 53
(Sheet 4)**

Name of insurer **St. James's Place UK plc**

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2015**

Units **£000**

UK Pension / 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
725	Individual pensions property linked			573			437	437
735	Group money purchase pensions property linked			37			24	24
770	Term assurance rider		138303					
790	Miscellaneous protection rider		6921					
800	Income protection claims in payment						468	468

Long-term insurance business: Unit prices for internal linked funds

Form 55

Name of insurer **St. James's Place UK plc**

Total business

Financial year ended **31st December 2015**

Units **£000**

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit mgmt charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
Exempt Alternative Assets	14 - individual pension - other managed fund	247492	Accumulation	0.75	1.2429	1.1587	(6.77)
Exempt AXA Framlington Managed	12 - individual pension - balanced managed fund	1755623	Accumulation	0.75	1.7298	1.7875	3.34
Exempt Continental European	16 - individual pension - overseas equity	152171	Accumulation	0.75	8.1168	8.4301	3.86
Exempt Corporate Bond	14 - individual pension - other managed fund	329979	Accumulation	0.75	1.9885	2.0290	2.04
Exempt Diversified Income	15 - individual pension - UK equity	183934	Accumulation	0.75	1.3043	1.4110	8.18
Exempt Equity Income	15 - individual pension - UK equity	334389	Accumulation	0.75	1.5238	1.5401	1.07
Exempt Far East	16 - individual pension - overseas equity	553758	Accumulation	0.75	5.1127	4.9089	(3.99)
Exempt Global Emerging Markets	16 - individual pension - overseas equity	276482	Accumulation	0.75	1.3355	1.2313	(7.80)
Exempt Global Equity Income	16 - individual pension - overseas equity	307582	Accumulation	0.75	1.4725	1.5114	2.64
Exempt Global Equity	16 - individual pension - overseas equity	2802080	Accumulation	0.75	9.3506	9.3071	(0.47)
Exempt Global Managed (Composite)	16 - individual pension - overseas equity	2207438	Accumulation	0.75	2.0294	2.0816	2.57
Exempt Greater European	16 - individual pension - overseas equity	198750	Accumulation	0.75	1.6075	1.7982	11.86
Exempt International Corporate Bond	14 - individual pension - other managed fund	486739	Accumulation	0.75	1.4570	1.5048	3.28
Exempt International Equity	16 - individual pension - overseas equity	1150720	Accumulation	0.75	3.3090	3.5865	8.39
Exempt Investment Grade Corporate Bond	14 - individual pension - other managed fund	292840	Accumulation	0.75	1.7093	1.7053	(0.23)
Exempt Money Market	13 - individual pension - defensive managed fund	240362	Accumulation	0.75	2.1065	2.0996	(0.33)
Exempt Multi Asset	14 - individual pension - other managed fund	615367	Accumulation	0.75	0.9674	0.9610	(0.66)
Exempt North American	16 - individual pension - overseas equity	331463	Accumulation	0.75	4.6960	5.1112	8.84
Exempt Property	17 - individual pension - property	618283	Accumulation	0.75	1.4456	1.5748	8.94
Exempt Schroder Managed	12 - individual pension - balanced managed fund	1861239	Accumulation	0.75	3.1248	3.1094	(0.49)
Exempt Strategic Managed	12 - individual pension - balanced managed fund	2071442	Accumulation	0.75	5.2880	5.4490	3.04
Exempt UK & General Progressive	15 - individual pension - UK equity	286196	Accumulation	0.75	1.5042	1.5810	5.11
Exempt UK & International Income	15 - individual pension - UK equity	368351	Accumulation	0.75	1.5254	1.5989	4.82
Exempt UK Absolute Return	14 - individual pension - other managed fund	120215	Accumulation	0.75	1.0696	1.1539	7.88
Exempt UK Equity	15 - individual pension - UK equity	713212	Accumulation	0.75	8.1817	8.9527	9.42
Exempt Worldwide Managed	16 - individual pension - overseas equity	1818415	Accumulation	0.75	1.5714	1.6447	4.66
Net Alternative Assets	04 - life - other managed fund	287899	Accumulation	1.50	1.1706	1.0792	(7.81)
Net Axa Framlington Managed	02 - life - balanced managed fund	882049	Accumulation	1.50	1.5283	1.5636	2.31
Net Corporate Bond	04 - life - other managed fund	585047	Accumulation	1.50	1.5628	1.5743	0.74
Net Diversified Income	04 - life - other managed fund	481860	Accumulation	1.50	0.8929	1.2657	41.75
Net Equity Income	05 - life - UK equity	621688	Accumulation	1.50	1.1993	1.2064	0.59

Long-term insurance business: Unit prices for internal linked funds

Form 55
(continuation sheet)

Name of insurer **St. James's Place UK plc**

Total business

Financial year ended **31st December 2015**

Units **£000**

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit mgmt charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
Net Far East	06 - life - overseas equity	280292	Accumulation	1.50	3.7788	3.6399	(3.68)
Net Gilts	03 - life - defensive managed fund	127810	Accumulation	1.50	2.3929	2.3742	(0.78)
Net Global Emerging Markets	04 - life - other managed fund	128472	Accumulation	1.50	1.2097	1.1163	(7.72)
Net Global Equity	04 - life - other managed fund	1674883	Accumulation	1.50	5.4468	5.3887	(1.07)
Net Global Equity Income	04 - life - other managed fund	476323	Accumulation	1.50	1.3748	1.4001	1.84
Net Global Managed	04 - life - other managed fund	1191908	Accumulation	1.50	1.7070	1.7364	1.72
Net Income Distribution	04 - life - other managed fund	1696785	Income	0.75	2.7298	2.8089	2.90
Net International Corporate Bond	04 - life - other managed fund	679104	Accumulation	1.50	1.3007	1.3231	1.72
Net International Equity	04 - life - other managed fund	833813	Accumulation	1.50	2.5320	2.6910	6.28
Net Investment Grade Corporate Bond	04 - life - other managed fund	476385	Accumulation	1.50	1.4763	1.4612	(1.02)
Net Multi Asset	04 - life - other managed fund	529127	Accumulation	1.50	0.9442	0.9303	(1.47)
Net North American	06 - life - overseas equity	135438	Accumulation	1.50	2.8685	3.0596	6.66
Net Property	07 - life - property	960006	Accumulation	1.50	1.1438	1.2412	8.52
Net Schroder Managed	02 - life - balanced managed fund	981173	Accumulation	1.50	2.3140	2.2889	(1.08)
Net Strategic Managed	02 - life - balanced managed fund	1149291	Accumulation	1.50	3.5403	3.6138	2.08
Net UK & General Progressive	05 - life - UK equity	249306	Accumulation	1.50	1.3662	1.4178	3.78
Net UK & International Income	05 - life - UK equity	632211	Accumulation	1.50	1.4130	1.4669	3.81
Net UK Absolute Return	04 - life - other managed fund	155485	Accumulation	1.50	1.0112	1.0651	5.33
Net UK Equity	05 - life - UK equity	342091	Accumulation	1.50	5.4719	5.8571	7.04
Net UK Income	05 - life - UK equity	106375	Accumulation	1.50	1.0165	1.0529	3.58
Net Worldwide Managed	04 - life - other managed fund	956051	Accumulation	1.50	1.3548	1.4000	3.34

Long-term insurance business: distribution of surplus

Form 58

Name of insurer **St. James's Place UK plc**
 Total business / subfund **Total Long-term insurance business**
 Financial year ended **31st December 2015**
 Units **£000**

	Financial year 1	Previous year 2
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Valuation result

Fund carried forward	11	38229523	34287635
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13	140000	125000
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	38369523	34412635
Mathematical reserves	21	38117524	34177611
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	251999	235024

Composition of surplus

Balance brought forward	31	110024	136610
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	141975	98414
Total	39	251999	235024

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	140000	125000
Total distributed surplus (46+47)	48	140000	125000
Surplus carried forward	49	111999	110024
Total (48+49)	59	251999	235024

Percentage of distributed surplus allocated to policyholders

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

Long-term insurance capital requirement
Form 60

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st 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%	500	100		
Classes I (other), II and IX	13	0.15%	8204	1445	0.50	6
Classes I (other), II and IX	14	0.3%	1157642	(824)		1736
Classes III, VII and VIII	15	0.3%	2401775	740822	0.50	3603
Total	16		3568121	741543		5345

Insurance health risk and life protection reinsurance capital component

Class IV, supplementary classes 1 and 2 and life protection reinsurance	21					525
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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%	43841	1254	0.85	373
Classes III, VII and VIII (investment risk)	33	1%	(24560)	(25967)	1.06	(260)
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%				
Classes III, VII and VIII (other)	35	25%				31603
Class IV (other)	36	1%	41161	8774	0.85	350
Class V	37	1%				
Class VI	38	1%				
Total	39					32066

Insurance market risk capital component

Life protection and permanent health reinsurance	41	0%				
Classes I (other), II and IX	42	3%	43841	1254	0.85	1118
Classes III, VII and VIII (investment risk)	43	3%	(24560)	(25967)	1.06	(779)
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%				
Classes III, VII and VIII (other)	45	0%	38152624	38133463		
Class IV (other)	46	3%	41161	8774	0.85	1050
Class V	47	0%				
Class VI	48	3%				
Total	49		38213066	38117524		1389

Long term insurance capital requirement	51					39325
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ST. JAMES'S PLACE UK plc

ABSTRACT OF VALUATION REPORT

1 Introduction

- 1.1 Date of this actuarial investigation: 31 December 2015
- 1.2 Date of the previous valuation: 31 December 2014
- 1.3 Interim valuations: Not applicable

2 Product Range

During 2015 the annual member charge applied to the Drawdown product was removed for new and existing policies.

There were no other significant changes made to the product range during the year.

3 Discretionary charges and benefits

- 3.1 Market Value Reductions: Not applicable
- 3.2 Reviewable Non-Linked Protection Business

The following non-linked premiums have been reviewed during the year:

<u>Product Type</u>	<u>% of in-force cases reviewed with a premium change</u>	<u>% of in-force cases reviewed with no premium change</u>	<u>Range of change to premium (%)</u>	
			<u>Minimum</u>	<u>Maximum</u>
Accelerated critical illness	2.7%	2.6%	0%	19%
Stand alone critical illness	3.8%	11.7%	(2)%	373%
Income protection	0.0%	12.8%	(10)%	0%

- 3.3 Non-Profit Deposit Admin Contracts: Not applicable
- 3.4 Service Charges on Linked Contracts

The service charges on linked policies were increased by 1.5% during 2015, in line with the increase in the Average Weekly Earnings Index.

- 3.5 Benefit Charges on Linked Business

There have been no changes to the level of benefit charges during the year.

3.6 Unit Management Charges

The level of the On-going Charges on the following funds was changed during the year:

<u>Fund</u>	<u>Fund size at</u> <u>31/12/2015 (£bn)</u>	<u>On-going Charges at</u> <u>31/12/2014</u>	<u>On-going Charges at</u> <u>31/12/2015</u>
Alternative Assets	0.54	0.97% pa	0.98% pa
Balanced Managed	2.64	0.96% pa	0.95% pa
Diversified Income	0.67	1.05% pa	1.02% pa
Ethical	0.11	0.86% pa	0.85% pa
Gilts	0.19	0.52% pa	0.47% pa
Global Emerging Markets	0.40	1.24% pa	1.22% pa
Global Equity	4.48	0.82% pa	0.81% pa
Greater European Progressive	0.27	1.13% pa	1.04% pa
High Octane	0.12	1.25% pa	1.20% pa
Index Linked Gilts	0.15	0.70% pa	0.67% pa
Investment Grade Corporate Bond	0.77	0.75% pa	0.73% pa
Property	1.58	1.30% pa	1.17% pa
UK & General Progressive	0.54	1.19% pa	1.15% pa
UK Growth	0.13	1.37% pa	1.36% pa
Worldwide Opps	2.77	1.10% pa	1.09% pa

3.7 Unit Pricing

- (a) The methods used for creating and cancelling units in the various internal linked funds and for determining the prices at which units of those funds are allocated to and cancelled from policies are as follows:

Creation of units

For each unit created, an amount equal to the creation price of a unit at the time of creation is paid into the fund. The creation price is calculated as the offer value of the fund divided by the number of units in issue.

The offer value of the fund is deemed to be the value of the fund's assets at market offered prices together with notional acquisition costs and non-invested assets including accrued income attributable to the fund, reduced by a provision for unrealised capital gains tax attributable to the fund.

Cancellation of units

For each unit cancelled, an amount equal to the cancellation price of a unit at the time of cancellation is paid out of the fund. The cancellation price is calculated as the bid value of the fund divided by the number of units in issue.

The bid value of the fund is deemed to be the value of the fund's assets at market bid prices less notional disposal costs, together with non-invested assets including accrued income attributable to the fund, reduced by a provision for unrealised capital gains tax attributable to the fund.

Prices for allocating and cancelling units from policies

The Company adopts a policy of forward pricing i.e. any transaction will receive the next available price.

The prices at which units may be allocated to and cancelled from policies are determined at the start of each working day. All funds are priced at the absolute discretion of the Company.

A fund will be priced on an offer basis where there is a trend of net inflows to the fund or where on any one day there is a significant cash inflow.

For a fund priced on an offer basis the unit offer price is determined as the unit creation price divided by 0.95. The result is rounded to the nearer 0.1p. The unit bid price is determined as the unit creation price rounded to the nearer 0.1p.

A fund will be priced on a bid basis where there is a trend of net outflows from the fund or where on any one day there is a significant cash outflow.

For a fund priced on a bid basis the unit bid price is determined as the unit cancellation price rounded to the nearer 0.1p. The unit offer price is determined as the unit cancellation price divided by 0.95. The result is rounded to the nearer 0.1p.

- (b) The unit pricing basis is the same for all policies.
- (c) Collective investment scheme assets are valued at the price ruling on the valuation date.

3.8 Tax Deductions and Tax Provisions in Internal Linked Funds

All taxation calculations are performed on a calendar year basis and are performed as though each unit fund were an independent entity subject to tax. The cumulative provision for tax on Income less expenses, Realised capital gains and Deemed disposals is cleared by payment to/from non-linked funds quarterly.

Pension funds – No allowance is made for UK tax, although overseas tax may be deducted at source.

Life funds – The methods and rates for tax used during the report period were as follows:

Income less expenses

Where the total “income” of the fund (including notional income on the “marked to market” adjustments for gilts and bonds) exceeded the management expenses, a tax provision of 20% is applied. This takes into account any taxation at source already deducted on the income.

Where the total cumulative year to date income is exceeded by the total year to date expenses no tax charge is applied, and the excess expenses are used to offset realised gains with any surplus being carried forward to offset future income.

Realised capital gains

In respect of each asset sold, a separate assessment for capital gains tax is made.

On a year to date basis, where there are cumulative realised capital gains in excess of realised capital losses and allowances, a tax provision is made, currently at a tax rate of 20%. Where there are cumulative realised losses, no provision is made and the loss is carried forward to offset against future realised capital gains.

Deemed disposals

Any actual disposal of unit trusts is dealt with as a realised capital gain or loss as above.

At the end of each calendar year, any holdings in unit trusts are “deemed” to have been disposed of and a “deemed” gain (or loss) is calculated. 1/7th of the deemed gain taxed is assessed for tax in the current year with other realised capital gains (see above). The remaining gain is assessed over the following 6 years, with other carried forward deemed gains, and a provision calculated taking into account a market interest rate of a suitable term. Where the overall assessment for tax on future gains is negative no provision is made.

Unrealised capital gains

To the extent that capital gains and losses exist in a fund, and have not been realised, a provision for unrealised capital gains tax may be established.

If the total unrealised capital gain (net of allowances) exceeds the total unrealised capital loss plus any excess realised losses, a provision is made at a rate of 19.5% (17.5% for the property fund) on the excess. If the balance is negative then no provision is made.

3.10 Internal Linked Fund Investments in other Unit Holdings

Where units in permitted scheme interests are held by an internal linked fund, such units are bought on behalf of the Company at creation price and sold at cancellation price. The underlying annual management charges on such units held by internal linked funds are rebated as cash to the internal linked fund to avoid any double charging. The miscellaneous annual management charge on the funds, that was introduced during 2015 to cover miscellaneous costs and registration fees that were previously charged directly to the funds, are not rebated to the funds.

In valuing the property of the internal linked fund any units, as described above, will be valued at their most recently calculated price.

4 Valuation basis (other than for special reserves)

4.1 Basis and Method of the Valuation

A prospective valuation basis has been used for all business.

For prudence, any negative liability for a non-linked policy has been limited to 0% of the calculated net liability.

PHI claims in payment are valued with due allowance made for claims escalation and the recovery rates assumed are based on internal and industry experience. Allowance is also made for a level of mortality. Claims under consideration are treated as being in payment.

For investment-linked contracts, the reserve held is the cancellation value of units allocated, multiplied by the appropriate funding factor, together with a sterling reserve sufficient to cover the future cash flows for each policy without recourse to additional capital. Where the sterling reserve for a policy is negative, it has been restricted so that the total reserve for the policy is not less than the surrender value.

4.2 Interest Rates

The following parameters were used in the valuation:

	<u>Dec-15</u>	<u>Dec-14</u>
<i>Conventional business:</i>		
Interest (net of tax)	1.8% per annum	1.7% per annum
<i>Unit-linked business:</i>		
Interest (gross of tax)	2.1% per annum	2% per annum
Interest (net of tax)	1.7% per annum	1.6% per annum

4.3 Risk Adjusted Yield

No adjustment was made to the yield on approved securities. Only stocks rated as AAA and issued or guaranteed by approved financial institutions were held at the valuation date.

4.4 Mortality Bases

No changes have been made since the previous year.

The mortality tables used for Investment Bond business are:

Males: 90% of AM92 ult
 Females: 90% of AF92 ult

The mortality tables used for all other business are as follows:

Males: 72% of TM92 sel
 Females: 72% of TF92 sel

A loading of 75% was applied for smokers in respect of all business except Investment Bond.

4.5 Morbidity Rates

A) Critical Illness Rates

No changes have been made since the previous year.

The morbidity tables used for all contracts were non-standard and example rates are set out below.

Stand Alone Critical Illness Rates

Sample annual rates per £1,000 benefit are as follows:

<u>Age next birthday</u>	<u>Males</u>		<u>Females</u>	
	<u>Non smoker</u>	<u>Smoker</u>	<u>Non smoker</u>	<u>Smoker</u>
25	0.76	1.18	0.79	0.924
35	1.334	2.064	2.122	2.632
45	3.189	6.578	4.565	8.165
55	9.189	20.235	8.832	18.726

Accelerated Critical Illness Rates

Sample annual rates per £1,000 benefit are as follows:

<u>Age next birthday</u>	<u>Males</u>		<u>Females</u>	
	<u>Non smoker</u>	<u>Smoker</u>	<u>Non smoker</u>	<u>Smoker</u>
25	1.094	1.698	0.726	0.848
35	1.313	2.031	1.584	1.964
45	2.831	5.84	3.263	5.836
55	7.221	15.9	6.313	13.384

The above rates apply to lives in Occupation Classes 1 and 2. For other occupation classes a multiplicative factor of 1.5 is applied to each set of rates.

During the first plan year, the rates for stand-alone benefits are reduced by 10% and the rates for accelerated benefits are reduced by 25%.

B) Permanent Health Insurance Rates

A modified CMIR12 table has been used for Permanent Health Insurance business. No changes have been made since the previous year.

Sample annual risk premium rates per £100 per annum income benefit are as follows:

<u>Male age next</u>	<u>Expiry age 65: Deferred period</u>			
	<u>4 weeks</u>	<u>13 weeks</u>	<u>26</u> <u>week</u>	<u>52 weeks</u>
<u>birthday</u>			<u>s</u>	
25	0.849	0.477	0.25	0.16
35	2.304	1.258	0.67	0.617
45	4.667	2.729	1.84	2.232
55	8.154	5.225	3.98	4.396

<u>Male age next</u>	<u>Expiry age 60: Deferred period</u>			
	<u>4 weeks</u>	<u>13 weeks</u>	<u>26</u> <u>week</u>	<u>52 weeks</u>
<u>birthday</u>			<u>s</u>	
25	0.808	0.449	0.23	0.15
35	2.088	1.127	0.6	0.547
45	3.816	2.197	1.47	1.762
55	4.588	2.804	2.05	2.109

<u>Male age next</u>	<u>Expiry age 55: Deferred period</u>			
	<u>4 weeks</u>	<u>13 weeks</u>	<u>26</u> <u>week</u>	<u>52 weeks</u>
<u>birthday</u>			<u>s</u>	
25	0.76	0.417	0.22	0.138
35	1.841	0.978	0.52	0.469
45	2.843	1.593	1.05	1.228
55	0.515	0.186	0.06	0

The above rates apply to males in Occupation Class 1. For other categories multiplicative factors are applied as follows:

<u>Category</u>	<u>Smokers</u>	<u>Females</u>	<u>Occupation class</u>		
			<u>2</u>	<u>3</u>	<u>4</u>
Factor	1.33	1.5	1.75	3	4

For claims in payment, specimen recovery rates per week per 1,000 claims, assumed at durations 2 and 5 years, are as follows:

<u>Age next birthday at claim</u>	<u>Duration 2</u>	<u>Duration 5</u>
25	7.959	1.365
35	6.037	0.998
45	4.11	0.63
55	2.18	0.262

C) Waiver of Contribution Benefits

Sample waiver of contribution rates used in the sterling reserve calculations for business written up to 30 September 1996 for male lives are as follows. For business written between 1 October 1996 and 3 November 2003, the rates applicable are 80% of the rates shown. Female rates are 150% of the male rates.

No changes have been made since the previous year.

Waiver of Contribution Rates (annual rates per £100 per month benefit)

<u>Age next birthday</u>	<u>Males</u>	
	<u>Level</u>	<u>Escalating</u>
25	0.25	0.256
35	0.49	0.544
45	1.19	1.328
55	2.79	2.712

For business written on or after 3 November 2003 sample waiver of contribution rates used in the sterling reserve calculations are as follows. Female rates are 175% of the male rates, and a multiplicative factor of 1.33 is also applied to the rates for smokers.

Waiver of Contribution Rates (annual rates per £100 per month benefit)

<u>Age next birthday</u>	<u>Males, Non-smokers</u>	
	<u>Level</u>	<u>Escalating</u>
25	0.149	0.23
35	0.416	0.645
45	1.119	1.614
55	2.926	3.65

4.6 Expense Assumptions

Renewal expenses per annum for the main classes of business, in addition to commission, were:

	<u>Dec-15</u>	<u>Dec-14</u>
	<u>Renewal</u>	<u>Renewal</u>
Life business		
Protection plans	£36.01	£34.91
Investment bonds	£18.47	£22.39
Pension business		
Pension plans	£18.47	£43.84

The expense assumptions for bond and pension business reflect the long-term costs that will be incurred when administering the business on the new administration system, known as Bluedoor. An additional reserve is set-up to cover the expected additional costs that will be incurred in the period before the business is administered on this system.

Tax relief at 20% is assumed on non-pensions business.

4.7 Unit Growth Rates and Inflation

The parameters used in the valuation were as follows:

	<u>December 2015</u>	<u>December 2014</u>
Unit Growth (gross of tax and before management charges)	3.20% pa	3.10%
Unit Growth (net of tax and before management charges)	2.60% pa	2.50%
Expense Inflation	2.80% pa	3.50%
Investment expenses:		
UK contracts	0.44 % p.a. of fund	0.42 % p.a. of fund
Swedish contracts	1.0 % p.a. of fund	1.0 % p.a. of fund
Policy fee inflation	4.2% pa	4.4% pa

4.8 Bonus Rates

Not applicable

4.9 Lapse, Surrender and Paid-up Assumptions

<u>Product</u>		<u>Average lapse /surrender/ paid-up rate</u>			
		<u>1-5</u>	<u>6-10</u>	<u>11-15</u>	<u>16-20</u>
Level Term	Lapse	10%	8%	7%	7%
Decreasing Term	Lapse	10%	8%	7%	7%
Accelerated Critical Illness	Lapse	10%	8%	7%	7%
Income Protection	Lapse	10%	8%	7%	7%
UL bond	Surrender	3%	5%	5%	5%
UL bond	Automatic withdrawals	100% of current			
UL indiv pension regular premium	PUP	100% where this gives a higher reserve, 0% otherwise			
UL indiv pension regular premium	Surrender	1%	3%	4%	9%
UL group pension regular premium	PUP	100% where this gives a higher reserve, 0% otherwise			
UL group pension regular premium	Surrender	1%	3%	4%	9%
UL indiv pension single premium	Surrender	1%	3%	4%	9%

Lapses as described above apply to all business.

4.10 Other Material Assumptions

For single premium life, pensions and drawdown business the following funding factors were used to derive the discounted value of units attaching to the contracts.

<u>Policy Year</u>	<u>Life contracts</u>	<u>Pension contracts</u>	<u>Drawdown contracts</u>
1	95.20%	94.10%	95.00%
2	95.90%	95.10%	95.60%
3	96.60%	96.00%	96.30%
4	97.40%	97.00%	97.10%
5	98.20%	98.00%	98.00%
6	99.10%	99.00%	99.00%
7	100.00%	100.00%	100.00%

For regular premium Personal Retirement Plan (Series 4), Additional Retirement Plan (Series 4) and Executive Retirement Plan (Series 4), the single premium funding scale shown above is applied to the premiums paid in the 6 year period prior to the valuation date.

For pensions business where advice was given before 31 December 2012, the funding term is restricted to the period up to age 55, and reduced where necessary to allow for a shorter funding term.

The funding term may also be restricted and reduced as necessary on any business where a reduced initial advice fee has been agreed.

4.11 Allowance for Derivative Contracts

No derivatives or contracts or assets having the effect of derivatives were held outside the internal funds.

4.12 Impact of INSPRU Rules Changes

The specified changes to the valuation methodology were implemented at the valuation on 31 December 2006. There have been no changes in this period.

5 Options and Guarantees

5.1 Guaranteed Annuity Rates

There are no guaranteed annuity options.

5.2 Guaranteed Surrender and Maturity Values

There are no investment performance guarantees, guaranteed surrender values or guaranteed maturity values.

5.3 Guaranteed Insurability Options

Allowance is made for possible adverse mortality experience arising from the exercise of guaranteed insurability options under non-linked term assurance contracts. This is achieved by the application of loadings of at least 3% on the mortality rates used, 15% on the critical illness rates used and 20% on the PHI morbidity rates used in the calculation of the reserves.

5.4 Other Guarantees and Options

There are no other guarantees or options.

6 Expense reserves

6.1 Aggregate Amount of Expense Loadings

The aggregate amount of expense loadings arising during the twelve months after the valuation date from the release of the explicit per policy expense allowances made in the valuation to meet expenses in fulfilling contracts in force at the valuation date is as follows, figures in £m:

<u>Homogenous risk group</u>	<u>Implicit allowances</u>	<u>Explicit allowances (investment)*</u>	<u>Explicit allowances (other)</u>	<u>Non-attributable expenses</u>	<u>Total</u>
Investment Business	£0.0m	£34.3m	£3.8m	£3.2m	£41.3m
Pension Business	£0.0m	£42.7m	£9.6m	£4.5m	£56.8m
Protection Business	£0.0m	£0.3m	£1.0m	£0.5m	£1.8m
All expenses attributable	N/A	N/A	N/A	N/A	N/A
Total	£0.0m	£77.3m	£14.4m	£8.2m	£99.8m

* Explicit allowances (investment) includes only investment advisor fees charged directly to the Company. Investment advisor fees met by the underlying unit trusts are excluded.

6.2 Basis of Calculating Implicit Allowances: Not applicable

6.3 Reconciliation to Line 14 of Form 43:

The expenses projected for 2016 (£99.8m – see table in 6.1) are less than the actual level of expense reported for 2015 (£105.5m – see Line 14 of Form 43). This is because:

- The level of expenses emerging from the projection of existing business is reduced by expected lapses during 2016.
- The expenses projected for 2016 do not include certain expenses incurred during 2015 that are not expected to recur in 2016.

The Company believes that the expense loadings in the valuation remain prudent.

6.4 New Business Expense Overrun Reserve

The requirement in respect of expenses of continuing to transact new business in the twelve months following the valuation dates has been assessed by comparing the total acquisition expenses likely to be incurred with a prudent assessment of the economic value of new sales during the same period and no provision is required.

6.5 Maintenance Expense Overrun Reserve

For the 2015 valuation a reserve of £9,894,112 was set up to allow for the difference between the policy administration expenses incurred pre-migration of the business to the Bluedoor system and the expenses that will be incurred after migration of the business to the Bluedoor system, which are reflected in the valuation expense assumptions. The reserve has been determined based on the actual per-policy expenses, inflated in-line with the long-term inflation assumption to the assumed migration dates.

No additional allowance was held to provide for the costs of the Company ceasing to transact new business twelve months after the valuation date as such costs (including redundancy costs and the costs of terminating management agreements) would be more than covered by a prudent assessment of the profits emerging from the business in force at that time.

6.6 Non-attributable Expense Reserve

A reserve for non-attributable expenses has been calculated by considering the level of ongoing expense compared to a prudent assessment of the profits emerging from the business in each category. Since the profits are expected to exceed the expenses the reserve has been set at zero.

<u>Homogenous risk group</u>	<u>Reserve for non-attributable expenses</u>
Investment Business	£0.0m
Pension Business	£0.0m
Protection Business	£0.0m
Total	£0.0m

7 Mismatching reserves

7.1 Deposits Received from Reinsurers: Not applicable

7.2 Not applicable

7.3 Currency Mismatching

All assets and liabilities held in respect of mathematical reserves (other than liabilities for property linked benefits) are denominated in sterling.

7.4 Most Onerous Resilience Requirement Scenario (UK)

In accordance with INSPRU 3.1.16, the amount of long-term liabilities has been tested against two scenarios. These are the combination of an immediate fall in the value of unit prices of 10% and a reduction or increase in fixed-interest yields of 20% of the long-term gilt yield.

The most onerous requirement was produced by a fall in fixed-interest yields.

7.5 Overseas Resilience Requirement Scenario: Not applicable.

7.6 Resilience Capital Requirement

In respect of the scenario described under 7.4 above:

- (a) the amount of the resilience capital requirement was £2,727,000.
- (b) the aggregate amount of the long term insurance liabilities increased by £5,152,000.
- (c) the aggregate amount of the assets allocated to match the liabilities increased by £2,425,000.

8 Other Special Reserves

A reserve of £1,348,328 was set up to meet the potential liability in the event of Swiss Re defaulting on the reinsurance treaty that commenced in January 2013. The reserve has been determined based on the probability of the reinsurer defaulting, taken to be 25% of the spread on five year AA rated bonds, and the amount of the additional per policy reserves that would have to be set up, net of any outstanding payments due to the reinsurer and assuming a recovery rate of 50%.

9 Reinsurance

9.1 Reinsurance on a Facultative Basis to a Reinsurer Not Authorised in the UK

No facultative reinsurance premiums were payable by the Company during the year to reinsurers who are not permitted to carry on business in the United Kingdom.

9.2 Significant Treaty Reinsurance

The Company has two significant reinsurance treaties. The details are as follows.

Risk benefit reinsurance

(d) Munich Reinsurance Company

- (e) This treaty covers contracts that were sold before 19 March 2003. Life-cover only conventional term assurances sold after 1 July 2001 are covered on an original terms basis and all other products on a risk premium basis.

For death and critical illness policies the Company's typical retention is 20% of each policy subject to a maximum of £150,000 initial sum insured on any one life.

For PHI benefits the typical retention is 50% of each policy subject to a maximum of £5,000 p.a. on any one life.

- (f) The premiums payable by the Company under this treaty during the year were £11,621,000.
- (g) There are no deposit back arrangements.
- (h) The treaty is closed to new business.
- (i) There is no un-discharged obligation.
- (j) The amount of mathematical reserves held has reduced by £23,671,000 as a result of this treaty.
- (k) New business retention: Not applicable
- (l) The reinsurer is authorised to carry on insurance business in the UK.
- (m) The reinsurer is not a connected company of SJPUK.

- (n) This treaty is not subject to any material contingencies.
- (o) No reinsurance commission is payable under this treaty.

Risk benefit reinsurance

- (d) Swiss Re Europe S.A., UK branch.
- (e) The treaty commenced on 1st January 2013 and covers Term Life, Whole of Life, Accelerated Critical Illness, Standalone Critical Illness and Waiver of Premium Rider Benefit contracts sold after 1 January 1992.

The claims ceded under this treaty are set at the Company's retention amount after allowing for the amount ceded to other third party reinsurers. It therefore supplements the existing treaties such that the Company's typical overall retention on this business is now 0%.

For non-linked business the premiums payable by the Company under this treaty are the policyholder premiums received, net of the Company's administration expenses and premiums due to other third party reinsurers.

For unit-linked business the premiums payable by the Company are the amount of the policyholder premiums that are not allocated to the unit fund and any unit deductions chargeable from the unit fund, net of the Company's administration expenses and premiums due to other third party reinsurers.

- (f) The premiums payable by the Company under this treaty during the year were £6,851,000.
- (g) There are no deposit back arrangements.
- (h) The treaty is closed to new business.
- (ii) There is no un-discharged obligation.
- (j) The amount of mathematical reserves held has reduced by £47,536,000 as a result of this treaty.
- (k) New business retention: Not applicable
- (l) The reinsurer is authorised to carry on insurance business in the UK.
- (m) The reinsurer is not a connected company of SJPUK.
- (n) This treaty is not subject to any material contingencies.
- (o) No reinsurance commission is payable under this treaty.

10 Reversionary (or annual) bonus

The Company has no with-profits policies.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2015

DIRECTORS' CERTIFICATE REQUIRED BY RULE 9.34 OF THE ACCOUNTS AND STATEMENTS RULES

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 in question, the insurer has complied in all material respects with the requirements of the Fundamental Rules, SYSC as well as the provisions of IPRU(INS), GENPRU and INSPRU;
 - ii. it is reasonable to believe that the insurer has continued so to comply subsequently until 31 December 2015.

The certificate required by IPRU(INS) Appendix 9.6 paragraph 1(1)(b)(ii) in respect of compliance since 1 January 2016 with the requirement in SYSC, Fundamental Rules and the provisions of IPRU(INS), GENPRU and INSPRU and ongoing compliance has not been provided. This is because these requirement have been replaced as from 1 January 2016, the commencement date of Solvency II, so the firm is subject to a new regulatory regime.

- 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) 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

- f) that the directors are responsible for:
 - i. ensuring that all publications properly present the financial information and any auditors' report, and
 - ii. the maintenance and integrity of the website
- g) legislation in the UK governing the preparation and dissemination of regulatory solvency returns may differ from legislation in other jurisdictions

A M Croft, Chief Executive

C F Woodd, Director

I D MacKenzie, Director

24 March 2016

ST. JAMES'S PLACE UK PLC

Global business

Financial year ended 31 December 2015

Independent auditor's report to the directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers ("IPRU(INS)")

We have audited the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Part I and Part IV of Chapter 9 to IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Prudential Sourcebook for Insurers ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 2, 3, 11 to 16, 40 to 45, 48, 49, 58 and 60, (including the supplementary notes) on pages 1 to 37 and pages 57 to 62 ("the Forms");
- the statement required by IPRU(INS) rules 9.29 on page 63 ("the statement"); and
- the valuation report required by IPRU(INS) rule 9.31(a) on pages 38 to 52 (the valuation report).

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

- Forms 46, 47, 50, 51, 53 and 55 (including the supplementary notes) on pages 22 to 24, 27 to 35 and 62;
- the statements required by IPRU(INS) rules 9.30 on page 64; and
- the certificate required by IPRU(INS) rule 9.34(1) on pages 53 to 54.

Respective responsibilities of the insurer and its auditor

The insurer is responsible for the preparation of an annual return (including the Forms, the statements and the valuation report) under the provisions of the Rules. Under IPRU(INS) rule 9.11 the Forms, the statements, and the valuation report are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules. The methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report are required to reflect appropriately the requirements of INSPRU 1.2.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Forms, the statements and the valuation report are not in agreement with the accounting records and returns; or
- we have not received all the information we require for our audit.

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

Basis of opinion

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

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

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

Opinion

In our opinion:

- (i) the Forms, the statements and the valuation report fairly state the information provided on the basis required by the Rules as modified and have been properly prepared in accordance with the provisions of those Rules; and
- (ii) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report appropriately reflect the requirements of INSPRU 1.2.

PricewaterhouseCoopers LLP

Chartered Accountants

24 March 2016

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2015

NOTES TO THE RETURN

0301 Reconciliation of net admissible assets to total capital resources after deductions

	<u>2015</u>	<u>2014</u>
	<u>£000</u>	<u>£000</u>
Admissible assets – other than long-term insurance	194,799	148,896
Admissible assets – long-term insurance	38,761,716	34,860,454
Mathematical reserves	(38,117,524)	(34,177,611)
Other insurance and non-insurance liabilities	(532,193)	(572,819)
Foreseeable dividend	(140,000)	(125,000)
Net admissible assets	<u>166,798</u>	<u>133,920</u>
Subordinated loan capital	(20,000)	-
Total capital resources after deductions	<u>146,798</u>	<u>133,920</u>

0310 Details of positive valuation differences (line 14)

	<u>2015</u>	<u>2014</u>
	<u>£000</u>	<u>£000</u>
Deferred income	101,062	135,353
Tax on deferred income	(2,762)	(6,290)
Investment reserves	(8,475)	(13,569)
Deferred tax for transitional arrangement (on investment reserves)	2,277	2,780
Difference in valuation of policyholder liabilities	10,710	11,144
Foreseeable dividend	(140,000)	(125,000)
Total positive valuation difference	<u>(37,188)</u>	<u>4,418</u>

0311 Details of inadmissible assets (line 73)

	<u>2015</u>	<u>2014</u>
	<u>£000</u>	<u>£000</u>
Deferred acquisition costs	514,141	563,928
Tax on deferred acquisition costs	(86,766)	(106,246)
Deferred tax assets	170,267	115,944
Subordinated loan capital	(20,000)	-
Total inadmissible assets	<u>577,642</u>	<u>573,626</u>

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2015

NOTES TO THE RETURN

0313 Reconciliation of profit and loss account and other reserves (Form 3 line 12) to profit and loss retained (Form 16 line 59)

	<u>2015</u>	<u>2014</u>
	<u>£000</u>	<u>£000</u>
Profit and loss account and other reserves – Form 3 line 12	671,628	593,128
Prior year profit and loss account and other reserves	(593,128)	(529,616)
Prior year foreseeable dividend	125,000	100,000
Decrease in deferred acquisition costs (net of tax)	30,307	42,374
Decrease in deferred income (net of tax)	(30,763)	(56,599)
Decrease/(increase) in net investment reserve	4,591	(2,762)
(Increase)/decrease in deferred tax asset movements not recognised	(30,100)	25,949
Net impact of change in allowance for future tax recoveries on policyholder liabilities	(13,699)	(40,563)
Tax on profit or loss on ordinary activities	(10,958)	(16,722)
(Decrease)/increase in surplus retained within the long-term insurance fund	(1,975)	26,587
Current year foreseeable dividend	(140,000)	(125,000)
Profit and loss retained – Form 16 line 59	<u>10,903</u>	<u>16,776</u>

1305 OLTB: Maximum Counterparty limit

The maximum counterparty limit in respect of deposits held by the long-term insurance business, in any one approved credit institution, is £40 million and £10 million for the other than long-term insurance business.

The maximum counterparty limit in respect of investments held by the Company in any one collective investment scheme regulated under the UCITS directive, which are represented by AAA rated money market funds, is unlimited subject to the St. James's Place plc group not holding in aggregate more than 5% of any one money market fund.

The maximum counterparty limit in respect of other assets is £1,950,000 for companies outside the St. James's Place plc group.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2015

NOTES TO THE RETURN

1312 LTB: Exposure at the Year End to Large Counterparties

The exposure at the year end to large counterparties was £33,332,000 deposited with Bank of Scotland plc.

1318 Other asset adjustments

This represents the debit balance in Form 13 Line 78 which is disclosed within liabilities in the Statutory Accounts.

1319 LTB: Maximum Counterparty limit

The maximum counterparty limit in respect of deposits held by the long-term insurance business, in any one approved credit institution, is £40 million and £10 million for the other than long-term insurance business.

The maximum counterparty limit in respect of investments held by the Company in any one collective investment scheme regulated under the UCITS directive, which are represented by AAA rated money market funds, is unlimited subject to the St. James's Place plc group not holding in aggregate more than 5% of any one money market fund.

The maximum counterparty limit in respect of other assets is £1,950,000 for companies outside the St. James's Place plc group.

1401 Provision for reasonably foreseeable adverse variations (F14 L41)

The Company was not party to any contract at any time during the year which could require a provision for adverse variations.

1402 Additional information in relation to IPRU (INS) Appendix 9.1 paragraph 13 (1)

No charge has been made on the assets of the Company to secure the liabilities of other persons.

The potential capital gains tax liability is £103,337,000 (2014: £110,114,000).

There were no other contingent liabilities, guarantees, indemnities or other contractual commitments effected other than in the normal course of business and in respect of related companies and any other fundamental uncertainties.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2015

NOTES TO THE RETURN

1405 Amounts shown in Form 14 line 74 of the reconciliation to the financial statements

	<u>2015</u>	<u>2014</u>
	<u>£000</u>	<u>£000</u>
Deferred income	(101,062)	(135,353)
Tax on deferred income	2,762	6,290
Investment reserves	8,475	13,569
Deferred tax assets	170,267	115,944
Deferred tax for transitional arrangement	(2,277)	(2,780)
Differences in valuation of contract liabilities	(10,710)	(11,144)
Differences in presentation of the tax debtor in Form 13 Line 78	12,130	16,722
	<u><u>79,585</u></u>	<u><u>3,248</u></u>

1501 Provision for reasonably foreseeable adverse variations (F15 L61)

The Company was not party to any contract at any time during the year which could require a provision for adverse variations.

1502 Additional information in relation to IPRU (INS) Appendix 9.1 paragraph 13 (1)

There were no charges over assets, potential capital gains tax liabilities, contingent liabilities, guarantees, indemnities or other contractual commitments effected other than in the normal course of business and in respect of related companies and any other fundamental uncertainties.

1507 Other adjustments

This represents a foreseeable dividend recognised in Form 15 Line 83 which does not meet the requirements for disclosure in the Statutory Accounts.

1601 Basis of foreign currency conversion

Income and expenditure in foreign currencies have been brought into account at the rates ruling at the dates of the transaction.

1603 Other income and charges

This represents £66,000 in relation to loan interest paid and £22,000 in relation to legal and professional fees.

1700 Omission of form

Form 17 has been omitted because all entries (including comparatives) would be blank.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2015

NOTES TO THE RETURN

4002 Amounts included in Form 40 line 25

Transaction costs of £19,031,000 (2014: £20,618,000) from the purchase and sale of investments been included in Form 40 line 25.

4008 Management Services

Administration services were provided during the year by Prudential UK Services Limited, International Financial Data Services Limited and Capita Life and Pensions Regulated Services Limited.

The internal linked funds are managed by: Aberdeen Asset Managers Limited; Aristotle Capital Management LLC; Artemis Investment Management LLP; Artisan Partners Limited Partnership; AXA Investment Managers (UK) Limited; Babson Capital Europe Limited; BlackRock Advisers (UK) Limited; BlackRock Investment Management (UK) Limited; BlueBay Asset Management LLP; Brigade Capital Management, LP; Burgundy Asset Management Limited; Edgepoint Investment Group Inc.; First State Investment Management (UK) Limited; INVESCO Asset Management Limited; J O Hambro Capital Management Limited; Loomis, MidOcean Credit Fund Management, LP; Sayles & Company L.P.; Magellan Asset Management Limited; Majedie Asset Management Limited; Manulife Asset Management (US) LLC; Oldfield Partners LLP; Orchard Street Investment Management LLP; Payden & Rygel; RWC Asset Managers LLP; S.W. Mitchell Capital LLP; Sands Capital Management LLC; Schroder Investment Management Limited; Select Equity Group, Inc.; State Street Global Advisors Limited ("SSGA"); Svenska Handelsbanken Fonder AB (Swedish); Threadneedle Asset Management Limited; Tweedy, Browne Company LLC; TwentyFour Asset Management LLP; Wasatch Advisors Inc.; Wellington Management Company LLP; and Woodford Investment Management LLP.

4009 Disclosure of material connected-party transactions in relation to IPRU (INS) 9.39

St. James's Place Wealth Management plc and St. James's Place Wealth Management (Shanghai) Limited, fellow subsidiaries, act as intermediaries in the provision of financial services products and charged a distribution allowance of £53,288,000 (2014: £45,615,000) to St. James's Place UK plc in respect of their role as introducer of their appointed representatives for the provision of life and pension products.

St. James's Place Management Services Limited, a fellow subsidiary, acts as the provider of management services to other companies and charged £58,273,000 (2014: £61,073,000) to St. James's Place UK plc in respect of its proportion of the goods and services incurred by the group.

In respect of the St. James's Place managed unit trusts all are related parties by virtue of St. James's Place UK plc life and pension funds investing into the unit trusts and by being related parties of the St. James's Place plc. During the year the total value of net transactions with related unit trusts was £2.9 billion (2014: £3.2 billion) and the total net asset value as at 31 December 2015 was £53.8 billion (2014: £48.3 billion).

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2015

NOTES TO THE RETURN

4401 Basis for determining Asset Value

Listed investments are included at bid-market value. Investment properties are included at market value. Deposits are included at cost. Derivatives are included at fair value. Other assets and liabilities are included at amortised cost.

4402 Derivative Contracts/Rights and Liabilities

The aggregate value of rights of derivative contracts held for internal linked funds was a liability of £13,983,000 at the year end (2014: asset of £2,106,000).

4502 Other Income and Expenditure

The entry in Form 45 line 26 represents the following:

	<u>2015</u>	<u>2014</u>
	<u>£000</u>	<u>£000</u>
Distributions made	186,876	164,239
Investment transaction costs	19,031	20,618
Total other expenditure	<u><u>205,907</u></u>	<u><u>184,857</u></u>

4701 There were no new direct group schemes.

5104 Details of approximations used to apportion between product codes

For decreasing term assurance and rider benefits, the split of reinsurance premiums and benefits has been calculated pro-rata on the basis of the underlying gross premium split.

No other approximations were required.

5304 Details of approximations used to apportion between product codes

For decreasing term assurance and rider benefits, the split of reinsurance premiums and benefits has been calculated pro-rata on the basis of the underlying gross premium split.

No other approximations were required.

5700 Omission of form

Form 57 has been omitted as the non-linked mathematical reserves do not exceed £100 million.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2015

**ADDITIONAL INFORMATION ON DERIVATIVE AND QUASI-DERIVATIVE
CONTRACTS (IPRU (INS) RULE 9.29)**

Shareholder Assets (Category 01)

The relevant information required by rule 9.29 (1) (a) to 9.29 (1) (i) is shown below:

- The use of derivatives was not permitted during the financial period.

Policyholder Assets (Category 10)

The relevant information required by rule 9.29 (1) (a) to 9.29 (1) (i) is shown below:

- The use of derivatives in the property linked funds is permitted as long as they satisfy the requirements of Appendix 3.2 and rule 3.7. The company's investment guidelines state that derivative contracts are used only for the purposes of reduction of investment risks or efficient portfolio management. The guidelines state that the company will at all times comply with relevant legislation and Guidance Notes and specifies that derivative contracts entered into will be capable of being readily closed out. Each fund management agreement specifies limits upon the use of derivatives within that fund. Derivatives used are listed on a regulated market or transacted with an approved counterparty. For non property linked funds the use of derivatives was not permitted during the financial period.
- Rule 9.29 (1) (b) (c) (h) (i) does not apply as the use of such derivatives is not permitted.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2015

ADDITIONAL INFORMATION ON CONTROLLERS (IPRU (INS) RULE 9.30)

The following persons have been controllers during the financial year and had the following % shareholding and % voting power at the year end:

	<u>% Shareholding</u>	<u>% Voting Power</u>
Controller of St. James's Place UK plc		
St. James's Place Wealth Management Group plc	100%	100%
Controller of St. James's Place Wealth Management Group plc		
St. James's Place plc	100%	100%