

St. James's Place UK plc

**Annual FSA Insurance Returns for the year ended
31st December 2012**



(Appendices 9.1, 9.3, 9.4, 9.6)

St. James's Place UK plc

Year ended 31st December 2012

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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 2012**

Adjusted solo solvency calculation

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
R2	2628062	GL	31	12	2012	£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	99105	81004
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	20621	15535
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	119726	96539

Guarantee fund

Guarantee fund requirement	21	11847	10441
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	107879	86098

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31	35541	31322
Resilience capital requirement	32	5019	5019
Base capital resources requirement	33	2984	3056
Individual minimum capital requirement	34	40560	36341
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	40560	36341
Excess (deficiency) of available capital resources to cover 50% of MCR	37	99446	78368
Excess (deficiency) of available capital resources to cover 75% of MCR	38	89306	69283

Enhanced capital requirement

With-profits insurance capital component	39		
Enhanced capital requirement	40	40560	36341

Capital resources requirement (CRR)

Capital resources requirement (greater of 36 and 40)	41	40560	36341
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	79166	60198

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 2012**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	2628062	GL	31	12	2012	£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		542402	542402	439189
Share premium account	13				
Positive valuation differences	14		216692	216692	327253
Fund for future appropriations	15				
Core tier one capital in related undertakings	16		18888	18888	13621
Core tier one capital (sum of 11 to 16)	19		887982	887982	890063

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		887982	887982	890063
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		887982	887982	890063

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

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

Global business

 Financial year ended **31st December 2012**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	2628062	GL	31	12	2012	£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				
Upper tier two capital in related undertakings	47				
Upper tier two capital (44 to 47)	49				

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

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

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

Global business

 Financial year ended **31st December 2012**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	R3	2628062	GL	31	12	2012	£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		887982	887982	890063
Inadmissible assets other than intangibles and own shares	73		768256	768256	793524
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		119726	119726	96539

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81		119726	119726	96539
Available capital resources for 50% MCR requirement	82		119726	119726	96539
Available capital resources for 75% MCR requirement	83		119726	119726	96539

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 2012**

Long-term insurance business

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
R11	2628062	GL	31	12	2012	£000
			This financial year		Previous year	
			1		2	
Gross premiums written		11	11201		13024	
Premiums taxes and levies (included in line 11)		12				
Premiums written net of taxes and levies (11-12)		13	11201		13024	
Premiums for classes 11, 12 or 13 (included in line 13)		14				
Premiums for "actuarial health insurance" (included in line 13)		15	11201		13024	
Sub-total A (13 + 1/2 14 - 2/3 15)		16	3734		4341	
Gross premiums earned		21	11201		13024	
Premium taxes and levies (included in line 21)		22				
Premiums earned net of taxes and levies (21-22)		23	11201		13024	
Premiums for classes 11, 12 or 13 (included in line 23)		24				
Premiums for "actuarial health insurance" (included in line 23)		25	11201		13024	
Sub-total H (23 + 1/2 24 - 2/3 25)		26	3734		4341	
Sub-total I (higher of sub-total A and sub-total H)		30	3734		4341	
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	672		781	
	Excess (if any) over 61.3M EURO x 0.02	33				
Sub-total J (32-33)		34	672		781	
Claims paid in period of 3 financial years		41	36691		35759	
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis	42	25468		25705	
	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	22550		25040	
	For insurance business accounted for on an accident year basis	45				
Sub-total C (41+42+43-44-45)		46	39609		36424	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47	31924		28667	
Sub-total D (46-47)		48	7685		7757	
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	336		391	
Provisions for claims outstanding (before discounting and net of reinsurance)		51	6665		7236	
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	632		686	
Greater of lines 50 and 53		54	632		686	

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 2012**

Long-term insurance business

		Company registration number	GL/UK/CM	Period ended			units	
		R12	2628062	GL	31	12	2012	£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			36691		35759	
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis	22			25468		25705	
	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			22550		25040	
	For insurance business accounted for on an accident year basis	25						
Claims incurred in reference period (21+22+23-24-25)		26			39609		36424	
Claims incurred for classes 11, 12 or 13 (included in 26)		27						
Claims incurred for "actuarial health insurance" (included in 26)		28			39609		36424	
Sub-total E (26 + 1/2 27 - 2/3 28)		29			13203		12141	
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			4401		4047	
Division of sub-total F (gross adjusted claims amount)	X 0.26	32			1144		1052	
	Excess (if any) over 42.9M EURO x 0.03	33						
Sub-total G (32 - 33)		39			1144		1052	
Claims amount Sub-total G x reinsurance ratio (11.49)		41			572		526	
Higher of premiums amount and brought forward amount (11.54)		42			632		686	
General insurance capital requirement (higher of lines 41 and 42)		43			632		686	

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

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

Global business

 Financial year ended **31st December 2012**

 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	2012	£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	18888	13621
	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	31613	21771
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 2012**

 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	2012	£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		
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	120	143
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	50621	35535
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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 2012**

 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	2012	£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	50621	35535
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	(18888)	(13621)
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	31733	21914
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

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

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

Global business

 Financial year ended **31st December 2012**

 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	2012	£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	84265	96499
Rights under derivative contracts		44		
Fixed interest securities	Approved	45	15232	16099
	Other	46		
Variable interest securities	Approved	47	33437	33185
	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 2012**

 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	2012	£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		23772419		19213418

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	17678	16585
	Intermediaries	72	20227	17137
Salvage and subrogation recoveries	73			
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		467
	due in more than 12 months	77		
Other	due in 12 months or less	78	14075	49964
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	74123	10959
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	320	307
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	20496	18190

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	24052272	19472810
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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 2012**

 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	2012	£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	24052272	19472810
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	143974	105500
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	682762	604247
Reinsurers' share of technical provisions excluded from line 89	100	43332	33048
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	24922340	20215605
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Long-term insurance business liabilities and margins
Form 14

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

Global business

Financial year ended **31st December 2012**

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	23834018	19235689	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12			
Balance of surplus / (valuation deficit)	13	99105	81004	
Long term insurance business fund carried forward (11 to 13)	14	23933123	19316693	
Claims outstanding	Gross	15	56750	37136
	Reinsurers' share	16	1570	1757
	Net (15-16)	17	55180	35379
Provisions	Taxation	21	23433	19220
	Other risks and charges	22		
Deposits received from reinsurers	23			
Creditors	Direct insurance business	31	17564	15042
	Reinsurance accepted	32		
	Reinsurance ceded	33		
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions	36		67983	
Creditors	Taxation	37		
	Other	38	13865	8178
Accruals and deferred income	39	9107	10315	
Provision for "reasonably foreseeable adverse variations"	41			
Total other insurance and non-insurance liabilities (17 to 41)	49	119149	156117	
Excess of the value of net admissible assets	51			
Total liabilities and margins	59	24052272	19472810	
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	13865	6721	
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	23748986	19194198	
Total liabilities (11+12+49)	71	23953167	19391806	
Increase to liabilities – DAC related	72	157035	151062	
Reinsurers' share of technical provisions	73	43332	33048	
Other adjustments to liabilities (may be negative)	74	148137	112414	
Capital and reserves and fund for future appropriations	75	620669	527275	
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	24922340	20215605	

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 2012**

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
R15	2628062	GL	31	12	2012	£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	30000	20000
	Other	49		
Accruals and deferred income		51		
Total (19 to 51)		59	30000	20000
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63		
Total (59 to 63)		69	30000	20000

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71			
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Amounts deducted from technical provisions for discounting	82			
Other adjustments (may be negative)	83	(30000)	(20000)	
Capital and reserves	84	31733	21914	
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	31733	21914	

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 2012**

		Company registration number	GL/UK/CM	Period ended			units	
		R16	2628062	GL	31	12	2012	£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			30000		20000	
Investment income	Income	14			35		38	
	Value re-adjustments on investments	15						
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17						
	Value re-adjustments on investments	18						
	Loss on the realisation of investments	19						
Allocated investment return transferred to the general insurance business technical account		20						
Other income and charges (particulars to be specified by way of supplementary note)		21			(216)		(216)	
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29			29819		19822	
Tax on profit or loss on ordinary activities		31						
Profit or loss on ordinary activities after tax (29-31)		39			29819		19822	
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			29819		19822	
Dividends (paid or foreseeable)		51			30000		20000	
Profit or loss retained for the financial year (49-51)		59			(181)		(178)	

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 2012**

Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11	3852082	3470708
Investment income receivable before deduction of tax	12	657436	582105
Increase (decrease) in the value of non-linked assets brought into account	13	(39089)	(24858)
Increase (decrease) in the value of linked assets	14	1981276	(1368467)
Other income	15	1845	1262
Total income	19	6453550	2660750

Expenditure

Claims incurred	21	1378989	1210247
Expenses payable	22	375966	353982
Interest payable before deduction of tax	23		
Taxation	24	40678	(14993)
Other expenditure	25	11487	16482
Transfer to (from) non technical account	26	30000	20000
Total expenditure	29	1837120	1585718

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	4616430	1075032
Fund brought forward	49	19316693	18241661
Fund carried forward (39+49)	59	23933123	19316693

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 2012**
 Units **£000**

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

Gross

Regular premiums	11	40844	290162		331006	305797
Single premiums	12	1620889	1981162		3602051	3225957

Reinsurance - external

Regular premiums	13	17685	832		18517	22466
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16		62458		62458	38580

Net of reinsurance

Regular premiums	17	23159	289330		312489	283331
Single premiums	18	1620889	1918704		3539593	3187377

Total

Gross	19	1661733	2271324		3933057	3531754
Reinsurance	20	17685	63290		80975	61046
Net	21	1644048	2208034		3852082	3470708

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 2012**
 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	75566	20333	95899	90275
Disability periodic payments	12	2311		2311	2483
Surrender or partial surrender	13	673410	620585	1293995	1136474
Annuity payments	14				
Lump sums on maturity	15	7422	94335	101757	84512
Total	16	758709	735253	1493962	1313744

Reinsurance - external

Death or disability lump sums	21	12369	1415	13784	15275
Disability periodic payments	22	1679		1679	1743
Surrender or partial surrender	23	614		614	447
Annuity payments	24				
Lump sums on maturity	25				
Total	26	14662	1415	16077	17465

Reinsurance - intra-group

Death or disability lump sums	31				
Disability periodic payments	32				
Surrender or partial surrender	33		98896	98896	86032
Annuity payments	34				
Lump sums on maturity	35				
Total	36		98896	98896	86032

Net of reinsurance

Death or disability lump sums	41	63197	18918	82115	75000
Disability periodic payments	42	632		632	740
Surrender or partial surrender	43	672796	521689	1194485	1049995
Annuity payments	44				
Lump sums on maturity	45	7422	94335	101757	84512
Total	46	744047	634942	1378989	1210247

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 2012**
 Units **£000**

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

Gross

Commission - acquisition	11	64391	55531		119922	115509
Commission - other	12	27154	51821		78975	70292
Management - acquisition	13	46056	56927		102983	95113
Management - maintenance	14	33259	41109		74368	72211
Management - other	15					1110
Total	16	170860	205388		376248	354235

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		282		282	253
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36		282		282	253

Net of reinsurance

Commission - acquisition	41	64391	55249		119640	115256
Commission - other	42	27154	51821		78975	70292
Management - acquisition	43	46056	56927		102983	95113
Management - maintenance	44	33259	41109		74368	72211
Management - other	45					1110
Total	46	170860	205106		375966	353982

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 2012**

Units **£000**

	Financial year	Previous year
	1	2

Internal linked funds (excluding cross investment)

Directly held assets (excluding collective investment schemes)	11	5537073	5007002
Directly held assets in collective investment schemes of connected companies	12	18692997	14616580
Directly held assets in other collective investment schemes	13	33177	20207
Total assets (excluding cross investment) (11+12+13)	14	24263247	19643789
Provision for tax on unrealised capital gains	15	23433	19220
Secured and unsecured loans	16		
Other liabilities	17	488670	431828
Total net assets (14-15-16-17)	18	23751144	19192741

Directly held linked assets

Value of directly held linked assets	21		
--------------------------------------	----	--	--

Total

Value of directly held linked assets and units held (18+21)	31	23751144	19192741
Surplus units	32	3994	4066
Deficit units	33	1836	5523
Net unit liability (31-32+33)	34	23748986	19194198

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 2012**

Units **£000**

	Financial year	Previous year
	1	2

Income

Value of total creation of units	11	3630555	3187698
Investment income attributable to the funds before deduction of tax	12	423345	417237
Increase (decrease) in the value of investments in the financial year	13	2420178	(1029335)
Other income	14		23
Total income	19	6474078	2575623

Expenditure

Value of total cancellation of units	21	1178474	961983
Charges for management	22	505697	446896
Charges in respect of tax on investment income	23	56462	29933
Taxation on realised capital gains	24	49908	(32026)
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25	4211	(18216)
Other expenditure	26	120923	105543
Total expenditure	29	1915675	1494113

Increase (decrease) in funds in financial year (19-29)	39	4558403	1081510
Internal linked fund brought forward	49	19192741	18111231
Internal linked funds carried forward (39+49)	59	23751144	19192741

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 2012**

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	58	8966		9024	8666
Single premium business	12	15379	35632		51011	46126
Total	13	15437	44598		60035	54792

Amount of new regular premiums

Direct insurance business	21	1499	83474		84973	87857
External reinsurance	22					
Intra-group reinsurance	23					
Total	24	1499	83474		84973	87857

Amount of new single premiums

Direct insurance business	25	1620889	1981162		3602051	3225957
External reinsurance	26					
Intra-group reinsurance	27					
Total	28	1620889	1981162		3602051	3225957

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 2012**

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		69		
325	Level term assurance	46	84		
335	Decreasing term assurance (rider benefits)	1	2		
345	Accelerated critical illness (reviewable premiums)	9	30		
355	Stand-alone critical illness (reviewable premiums)	2	277		
365	Income protection non-profit (reviewable premiums)		115		
380	Miscellaneous protection rider		7		
700	Life property linked single premium			15379	1620889
710	Life property linked whole life regular premium		533		
775	Accelerated critical illness rider		94		
780	Stand-alone critical illness rider		255		
785	Income protection rider		33		

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 2012**

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	8566	69362	33532	1625054
730	Individual pensions property linked - increments		11320		
735	Group money purchase pensions property linked	400	1425	270	4254
740	Group money purchase pensions property linked - increments		1158		
745	DWP National Insurance rebates property linked				7315
750	Income drawdown property linked			1820	326480
755	Trustee investment plan			10	18059
790	Miscellaneous protection rider		209		

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 2012**
 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	15280	15280	581	3.90
Other fixed interest securities	13				
Variable interest securities	14	33709	33709	615	1.80
UK listed equity shares	15				
Non-UK listed equity shares	16				
Unlisted equity shares	17				
Other assets	18	230864	230864	1040	0.45
Total	19	279853	279853	2236	0.80

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 2012**
 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	15280	40.00	3.90	3.90
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	33709	10.10	1.80	1.80
Other variable interest securities	51				
Total (11+21+39+41+51)	61	48989	19.43	2.46	2.46

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 2012**
 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	61527		61527	59150
Form 52	13				
Form 53 - linked	14	11712869	12036117	23748986	19194197
Form 53 - non-linked	15	62067	3200	65267	13634
Form 54 - linked	16				
Form 54 - non-linked	17				
Total	18	11836463	12039317	23875780	19266981

Reinsurance - external

Form 51 - with-profits	21				
Form 51 - non-profit	22	23043		23043	22748
Form 52	23				
Form 53 - linked	24				
Form 53 - non-linked	25	11367	1309	12676	13058
Form 54 - linked	26				
Form 54 - non-linked	27				
Total	28	34410	1309	35719	35806

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		6043	6043	(4514)
Form 54 - linked	36				
Form 54 - non-linked	37				
Total	38		6043	6043	(4514)

Net of reinsurance

Form 51 - with-profits	41				
Form 51 - non-profit	42	38484		38484	36402
Form 52	43				
Form 53 - linked	44	11712869	12036117	23748986	19194197
Form 53 - non-linked	45	50700	(4152)	46548	5090
Form 54 - linked	46				
Form 54 - non-linked	47				
Total	48	11802053	12031965	23834018	19235689

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 2012**

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	766	168283	4717	n/a	n/a	n/a	22667
325	Level term assurance	5097	1052162	3810	n/a	n/a	n/a	10055
330	Decreasing term assurance	1535	142135	729	n/a	n/a	n/a	746
335	Decreasing term assurance (rider benefits)	1742	127811	918	n/a	n/a	n/a	1096
345	Accelerated critical illness (reviewable premiums)	2028	232430	1513	n/a	n/a	n/a	3830
355	Stand-alone critical illness (reviewable premiums)	3651	482303	3960	n/a	n/a	n/a	8148
365	Income protection non-profit (reviewable premiums)	3290	66342	2576	n/a	n/a	n/a	2293
780	Stand-alone critical illness rider		103200		n/a	n/a	n/a	
785	Income protection rider		12524		n/a	n/a	n/a	
380	Miscellaneous protection rider		4766		n/a	n/a	n/a	
385	Income protection claims in payment				n/a	n/a	n/a	12692

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 2012**

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		135072	858	n/a	n/a	n/a	39
325	Level term assurance		825526	2755	n/a	n/a	n/a	6090
330	Decreasing term assurance		105129	298	n/a	n/a	n/a	150
335	Decreasing term assurance (rider benefits)		98921	604	n/a	n/a	n/a	32
345	Accelerated critical illness (reviewable premiums)		182997	887	n/a	n/a	n/a	852
355	Stand-alone critical illness (reviewable premiums)		423578	2072	n/a	n/a	n/a	6252
365	Income protection non-profit (reviewable premiums)		46713	1078	n/a	n/a	n/a	1525
780	Stand-alone critical illness rider		86332		n/a	n/a	n/a	
785	Income protection rider		7428		n/a	n/a	n/a	
380	Miscellaneous protection rider		2612		n/a	n/a	n/a	
385	Income protection claims in payment				n/a	n/a	n/a	8103

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 2012**

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	140995	11833963		11769886	11551864	(9044)	11542820
710	Life property linked whole life regular premium	5854	1444590	9869	40525	40525	3448	43973
715	Life property linked endowment regular premium - savings	524	19838	822	19939	19939	20	19959
720	Life property linked endowment regular premium – target cash	4247	184991	4659	86823	86823	253	87075
775	Accelerated critical illness (reviewable)	2615	249262	2031	6190	6190	807	6996
780	Stand-alone critical illness (reviewable)	1328	206174	2435	3393	3393	1003	4397
785	Income protection non-profit (reviewable)	1573	34298	1213	103	103	2254	2357
770	Level term assurance (life)	2957	207159	770	4032	4032	371	4403
775	Accelerated critical illness rider		93474					
785	Income protection rider		7152					
790	Miscellaneous protection rider		9300					
800	Income protection claims in payment						12338	12338
800	Tax reserves						50617	50617

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 2012**

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		1226195	4173			196	196
715	Life property linked endowment regular premium - savings		3	3			1	1
720	Life property linked endowment regular premium – target cash		82513	509			159	159
775	Accelerated critical illness (reviewable)		199728	1201			74	74
780	Stand-alone critical illness (reviewable)		191240	1484			629	629
785	Income protection non-profit (reviewable)		26914	765			567	567
770	Level term assurance (life)		161461	504			29	29
775	Accelerated critical illness rider		44055					
785	Income protection rider		4992					
790	Miscellaneous protection rider		6596					
800	Income protection claims in payment						9712	9712

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 2012**

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	258501	9859254	297447	9924729	9774891	(332)	9774559
735	Group money purchase pensions property linked	14584	440887	20364	420787	414975	1438	416413
750	Income drawdown property linked	7677	1121530		1123029	1122479	132	1122611
755	Trustee investment plan	1417			725391	723772	(322)	723450
800	Income protection claims in payment						1184	1184
770	Term assurance rider		245540					
790	Miscellaneous protection rider		14630					
800	Additional reserves property linked						1100	1100

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 2012**

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			730			466	466
735	Group money purchase pensions property linked			55			33	33
800	Income protection claims in payment						810	810
770	Term assurance rider		195049					
790	Miscellaneous protection rider		9931					

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

**Form 53
(Sheet 5)**

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

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

Financial year ended **31st December 2012**

Units **£000**

UK Pension / Reinsurance ceded intra-group

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						6043	6043

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 2012**

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 GLOBAL EQUITY MANAGED	01 - life - stock market managed fund	1371792	Accumulation	1.50	4.0082	4.4614	11.31
INVESCO NET MANAGED	02 - life - balanced managed fund	1033257	Accumulation	1.50	2.9398	3.0810	4.80
GAM NET MANAGED	04 - life - other managed fund	541091	Accumulation	1.50	1.6201	1.9100	17.89
SCHRODER NET MANAGED	02 - life - balanced managed fund	757200	Accumulation	1.50	1.6960	1.9452	14.69
ARTISAN NET MANAGED	04 - life - other managed fund	711062	Accumulation	1.50	1.1493	1.2862	11.91
AXA NET MANAGED	02 - life - balanced managed fund	661548	Accumulation	1.50	1.1837	1.3094	10.62
POLARIS NET WORLDWIDE	02 - life - balanced managed fund	507006	Accumulation	1.50	0.9208	1.0410	13.05
NET UK EQUITY	05 - life - UK equity	180100	Accumulation	1.50	3.8353	4.1396	7.93
NET FAR EAST	06 - life - overseas equity	278158	Accumulation	1.50	3.2060	3.6492	13.82
NET GILTS	03 - life - defensive managed fund	169547	Accumulation	1.50	2.3750	2.3867	0.49
NET EQUITY INCOME	04 - life - other managed fund	342149	Accumulation	1.50	0.8537	1.0125	18.60
NET DIVERSIFIED INCOME	04 - life - other managed fund	298008	Accumulation	1.50	0.8429	0.9677	14.81
NET ALTERNATIVE ASSETS	04 - life - other managed fund	218603	Accumulation	1.50	1.0875	1.1438	5.18
NET INV GRADE CORP BOND	04 - life - other managed fund	350375	Accumulation	1.50	1.3156	1.4191	7.87
NET EMERGING MARKETS	06 - life - overseas equity	143287	Accumulation	1.50	1.0457	1.1936	14.14
NET INT CORPORATE BOND	04 - life - other managed fund	406726	Accumulation	1.50	1.0639	1.2082	13.56
NET ABSOLUTE RETURN	04 - life - other managed fund	155246	Accumulation	1.50	0.9339	0.9338	(0.01)
NET UK AND GENERAL PROGRESSIVE	04 - life - other managed fund	124317	Accumulation	1.50	1.0588	1.1412	7.78
NET CORPORATE BOND	04 - life - other managed fund	488005	Accumulation	1.50	1.1789	1.4212	20.55
NET UK AND INTERNATIONAL	04 - life - other managed fund	237401	Accumulation	1.50	1.0117	1.1472	13.39
NET MULTI ASSET	02 - life - balanced managed fund	379143	Accumulation	1.50		0.9855	
NET PROPERTY	07 - life - property	497033	Accumulation	1.50	0.9854	0.9797	(0.58)
NET DISTRIBUTION BOND	04 - life - other managed fund	1288439	Accumulation	1.50	2.1806	2.2345	2.47
EX GLOBAL EQUITY MANAGED	14 - individual pension - other managed fund	1809960	Accumulation	0.75	6.5377	7.3433	12.32
INVESCO EX MANAGED	12 - individual pension - balanced managed fund	1462574	Accumulation	0.75	4.1785	4.4227	5.84
GAM EX MANAGED	14 - individual pension - other managed fund	559301	Accumulation	0.75	2.0114	2.3712	17.89
SCHRODER EX MANAGED	12 - individual pension - balanced managed fund	1092776	Accumulation	0.75	2.1341	2.5058	17.42
ARTISAN EX MANAGED	14 - individual pension - other managed fund	1138558	Accumulation	0.75	1.2512	1.4085	12.57
AXA FRAM EX MANAGED	12 - individual pension - balanced managed fund	1031561	Accumulation	0.75	1.2541	1.4177	13.05
POLARIS EX WORLDWIDE	12 - individual pension - balanced managed fund	842983	Accumulation	0.75	0.9745	1.1250	15.44
EX UK EQUITY	15 - individual pension - UK equity	279075	Accumulation	0.75	5.4181	5.9317	9.48

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 2012**

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
EX NORTH AMERICA	16 - individual pension - overseas equity	112505	Accumulation	0.75	2.6400	2.9969	13.52
EX FAR EAST	16 - individual pension - overseas equity	511339	Accumulation	0.75	4.1249	4.8361	17.24
EX DEPOSIT	13 - individual pension - defensive managed fund	258514	Accumulation	0.75	2.1247	2.1211	(0.17)
EX EQUITY INCOME	15 - individual pension - UK equity	140197	Accumulation	0.75	1.0250	1.2380	20.78
EX ALTERNATIVE ASSETS	14 - individual pension - other managed fund	183496	Accumulation	0.75	1.1182	1.1881	6.25
EX INV GRADE CORP BOND	14 - individual pension - other managed fund	182952	Accumulation	0.75	1.4306	1.5904	11.17
EX EMERGING MARKETS	14 - individual pension - other managed fund	286869	Accumulation	0.75	1.0968	1.2938	17.96
EX INT CORPORATE BOND	14 - individual pension - other managed fund	256012	Accumulation	0.75	1.1023	1.3028	18.19
EX ABSOLUTE RETURN	14 - individual pension - other managed fund	104787	Accumulation	0.75	0.9527	0.9598	0.75
EX UK AND GENERAL PROGRESSIVE	14 - individual pension - other managed fund	132657	Accumulation	0.75	1.0922	1.1979	9.68
EX CORPORATE BOND	14 - individual pension - other managed fund	241352	Accumulation	0.75	1.3717	1.7315	26.23
EX UK AND INTERNATIONAL	14 - individual pension - other managed fund	124129	Accumulation	0.75	1.0245	1.1824	15.41
THS EX INTERNATIONAL	12 - individual pension - balanced managed fund	287287	Accumulation	0.75	6.6650	7.7001	15.53
EX MULTI ASSET	02 - life - balanced managed fund	179749	Accumulation	0.75		0.9947	
EX PROPERTY	17 - individual pension - property	240064	Accumulation	0.75	1.1897	1.2126	1.92

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 2012**
 Units **£000**

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

Valuation result

Fund carried forward	11	23933123	19316693
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13	30000	20000
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	23963123	19336693
Mathematical reserves	21	23834018	19235689
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	129105	101004

Composition of surplus

Balance brought forward	31	81004	66737
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	48101	34267
Total	39	129105	101004

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	30000	20000
Total distributed surplus (46+47)	48	30000	20000
Surplus carried forward	49	99105	81004
Total (48+49)	59	129105	101004

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 2012**

 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%	886	184		1
Classes I (other), II and IX	13	0.15%	36508	7162	0.50	27
Classes I (other), II and IX	14	0.3%	1648853	337993		2473
Classes III, VII and VIII	15	0.3%	2593277	733570	0.50	3890
Total	16		4279524	1078909		7021

Insurance health risk and life protection reinsurance capital component

Class IV, supplementary classes 1 and 2 and life protection reinsurance	21					632
						686

Insurance expense risk capital component

Life protection and permanent health reinsurance	31	0%				
Classes I (other), II and IX	32	1%	38394	31231	0.85	326
Classes III, VII and VIII (investment risk)	33	1%	49669	41859	0.85	422
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%				(23)
Classes III, VII and VIII (other)	35	25%				24089
Class IV (other)	36	1%	42224	15435	0.85	359
Class V	37	1%				
Class VI	38	1%				
Total	39					25196

Insurance market risk capital component

Life protection and permanent health reinsurance	41	0%				
Classes I (other), II and IX	42	3%	38394	31231	0.85	979
Classes III, VII and VIII (investment risk)	43	3%	49669	41859	0.85	1267
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%				(70)
Classes III, VII and VIII (other)	45	0%	23745493	23745493		
Class IV (other)	46	3%	42224	15435	0.85	1077
Class V	47	0%				
Class VI	48	3%				
Total	49		23875780	23834018		3323

Long term insurance capital requirement	51					35541
						31322

ABSTRACT OF VALUATION REPORT

1 Introduction

- 1.1 Date of this actuarial investigation: 31 December 2012
- 1.2 Date of the previous valuation: 31 December 2011
- 1.3 Interim valuations Not applicable

2 Product Range

There were no 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	15.9%	23.0%	0%	4%
Stand alone critical illness	22.0%	2.8%	(39)%	315%
Income protection	36.0%	0.8%	(13)%	82%

- 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 1.8% during 2012, 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 Investment Management Fees on the following funds was changed during the year:

<u>Fund</u>	<u>Fund Size at 31/12/12 (£bn)</u>	<u>Investment Management Fee at 31/12/11</u>	<u>Investment Management Fee at 31/12/12</u>
Absolute Return	0.26	1.38% pa	0.98% pa
Diversified Income	0.39	0.78% pa	0.63% pa
Gilts:			
-Life/Distribution	0.17	0.30% pa	0.18% pa
-Exempt	0.08	0.30% pa	0.16% pa
Investment Grade Corporate Bond	0.53	0.38% pa	0.21% pa
Global Equity Income*	0.16	n/a	0.38% pa
Index Linked Gilts*:			
-Life/Distribution	0.04	n/a	0.15% pa
-Exempt	0.02	n/a	0.08% pa
Multi Asset*	0.56	n/a	0.68% pa

* New funds launched during the year.

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 monthly.

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. In addition, any annual management charges on such units held by internal linked funds are fully rebated as cash to the internal linked fund to avoid any double charging.

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 33% 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.

For all reviewable conventional business contracts the current margin for prudence in the valuation basis is assumed to be retained at all future review dates.

In general the reduction in sterling reserves due to reinsurance has been calculated assuming a continuation of the current reinsurance rates. The retention levels for all classes of business are based on the current level, which is assumed to apply at future dates.

4.2 Interest Rates

The following parameters were used in the valuation:

	<u>December 2012</u>	<u>December 2011</u>
Conventional business:		
Interest (net of tax)	1.8 % per annum	1.9 % per annum
Unit-linked business:		
Interest (gross of tax)	1.7 % per annum	1.9 % per annum
Interest (net of tax)	1.3 % per annum	1.5 % 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	0.760	1.180	0.790	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	5.840	3.263	5.836
55	7.221	15.900	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 birthday</u>	<u>Expiry age 65: Deferred period</u>			
	<u>4 weeks</u>	<u>13 weeks</u>	<u>26 weeks</u>	<u>52 weeks</u>
25	0.849	0.477	0.247	0.160
35	2.304	1.258	0.672	0.617
45	4.667	2.729	1.843	2.232
55	8.154	5.225	3.978	4.396

<u>Male age next birthday</u>	<u>Expiry age 60: Deferred period</u>			
	<u>4 weeks</u>	<u>13 weeks</u>	<u>26 weeks</u>	<u>52 weeks</u>
25	0.808	0.449	0.233	0.150
35	2.088	1.127	0.600	0.547
45	3.816	2.197	1.472	1.762
55	4.588	2.804	2.053	2.109

<u>Male age next birthday</u>	<u>Expiry age 55: Deferred period</u>			
	<u>4 weeks</u>	<u>13 weeks</u>	<u>26 weeks</u>	<u>52 weeks</u>
25	0.760	0.417	0.215	0.138
35	1.841	0.978	0.518	0.469
45	2.843	1.593	1.052	1.228
55	0.515	0.186	0.060	0.000

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	3.0	4.0

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</u> <u>at claim</u>	<u>Duration 2</u>	<u>Duration 5</u>
25	7.959	1.365
35	6.037	0.998
45	4.110	0.630
55	2.180	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	0.250	0.256
35	0.490	0.544
45	1.190	1.328
55	2.790	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	0.230
35	0.416	0.645
45	1.119	1.614
55	2.926	3.650

4.6 Expense Assumptions

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

	<u>December 2012</u>	<u>December 2011</u>
	<u>Renewal</u>	<u>Renewal</u>
Life business		
Protection plans	£34.29	£34.50
Investment bonds	£22.02	£22.09
Pension business		
All pension plans	£42.97	£43.22

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 2012</u>	<u>December 2011</u>
Unit Growth (gross of tax and before management charges)	2.9 % p.a.	3.1 % p.a.
Unit Growth (net of tax and before management charges)	2.1 % p.a.	2.4 % p.a.
Expense Inflation	3.1% p.a.	3.3% p.a.
Investment expenses:		
UK contracts	0.42 % p.a. of fund	0.42 % pa of fund
Swedish contracts	1.0 % p.a. of fund	1.0 % pa of fund
Policy fee inflation	4.0% p.a.	4.2% p.a.

4.8 Bonus Rates

Not applicable

4.9 Lapse, Surrender and Paid-up Assumptions

<u>Product</u>		<u>Average lapse /surrender / paid-up rate for the policy</u>			
		<u>years</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	3%	3%	4%	6%
UL group pension regular premium	PUP	100% where this gives a higher reserve, 0% otherwise			
UL group pension regular premium	Surrender	3%	3%	4%	6%
UL indiv pension single premium	Surrender	3%	4%	4%	7%

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>
1	95.2%	94.1%
2	95.9%	95.1%
3	96.6%	96.0%
4	97.4%	97.0%
5	98.2%	98.0%
6	99.1%	99.0%
7	100.0%	100.0%

* For pensions business, the funding term is restricted to the period up to age 55. Where the funding term is less than 6 years, the funding factors shown above are increased to allow for the shorter funding term.

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.

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

Changes to the valuation methodology were implemented at the valuation on 31 December 2006.

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	£26.1m	£3.1m	£1.8m	£31.0m
Pension Business	£0.0m	£27.7m	£7.2m	£4.2m	£39.1m
Protection Business	£0.0m	£0.3m	£1.2m	£0.7m	£2.3m
All expenses attributable	N/A	N/A	N/A	N/A	N/A
Total	£0.0m	£54.1m	£11.5m	£6.8m	£72.4m

* 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 2013 (£72.4m – see table in 6.1) are less than the actual level of expense reported for 2012 (£74.4m – see Line 14 of Form 43), since the level of expenses emerging from the projection of existing business is reduced by expected lapses during 2013.

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

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
Pension Business	0
Protection Business	0
Total	0

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 £5,019,000.
- (b) the aggregate amount of the long term insurance liabilities increased by £9,526,000.
- (c) the aggregate amount of the assets allocated to match the liabilities increased by £4,507,000.

8 Other Special Reserves

A reserve of £34,243,000 was held to meet the potential liability for tax in future years arising on deemed disposal of unit trust investments. The future liability was discounted at 0.4% per annum.

An additional reserve of £16,374,000 was held to mitigate the impact of the expected use in future of realised capital losses carried forward in the taxation deduction calculations in the internal linked funds.

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 only 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 £13,184,000.
- (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 £23,536,000 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.

Insurance Special Purpose Vehicle

- (d) St James's Place Reassurance (2009) Ltd
- (e) This reinsurance covers new pensions business sold from 2009 onwards and provides reinsurance of 100% of the non-unit cashflows
- (f) The premiums payable by the Company under this treaty during the year were £62,458,000.
- (g) There are no deposit back arrangements.
- (h) The treaty is annually renewable and will be open to new business in 2013.
- (i) There is no un-discharged obligation.
- (j) The amount of mathematical reserves held has decreased by £6,043,000 as a result of this treaty.
- (k) 100% of the non-unit cashflows on new pensions business are reassured.
- (l) The reinsurer is authorised to carry on insurance business in the UK.
- (m) The reinsurer is a wholly owned subsidiary of the shareholder fund of SJPUK.
- (n) This treaty is not subject to any material contingencies.
- (o) There is no liability for the insurer to refund reinsurance commission in the event of the lapse or surrender of the contract.

10 Reversionary (or annual) bonus

The Company has no with profit policies.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2012

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

We certify:

- 1 (a) that the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU; and
(b) we are satisfied that:
 - (i) throughout the financial year, the insurer has complied in all material respects with the requirements of SYSC and PRIN as well as the provisions of IPRU (INS), GENPRU and INSPRU; and
 - (ii) it is reasonable to believe that the insurer has continued so to comply subsequently and will continue so to comply in future.
- 2 (a) that 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;
(b) that 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;
(c) that we have, in preparing the return, taken and paid due regard to advice from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R.
- 3 a) 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
b) that legislation in the UK governing the preparation and dissemination of regulatory solvency returns may differ from legislation in other jurisdictions

D C Bellamy, Chief Executive

A M Croft, Chief Financial Officer

D J Lamb, Managing Director

22 March 2013

ST. JAMES'S PLACE UK PLC

Global business

Financial year ended 31 December 2012

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

We have audited the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Part I and Part IV of Chapter 9 to IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Prudential Sourcebook for Insurers ('the Rules') made by the 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 39 and 56 to 60, ('the Forms');
- the statement required by IPRU(INS) rule 9.29 on page 62 ('the statement'); and
- the valuation report required by IPRU(INS) rule 9.31(a) on pages 40 to 51 ('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 23 to 37 and 61;
- the statements required by IPRU(INS) rules 9.30 on page 63; and
- the certificate required by IPRU(INS) rule 9.34(1) on pages 52 to 53.

Respective responsibilities of the insurer and its auditors

The insurer is responsible for the preparation of an annual return (including the Forms, the statement and the valuation report) under the provisions of the Rules. The requirements of the Rules have been modified by a direction issued under section 148 of the Financial Services and Markets Act 2000 on 31 December 2008. Under IPRU(INS) rule 9.11 the Forms, the statement and the valuation report are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules. The methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report are required to reflect appropriately the requirements of INSPRU 1.2.

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

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

- we have not received all the information we require for our audit.

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

Basis of opinion

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

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

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

Opinion

In our opinion:

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

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

PricewaterhouseCoopers LLP
Chartered Accountants

22 March 2013

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2012

NOTES TO THE RETURN

0201 Effect of Direction under Section 148 of the Act

The Financial Services Authority, on the application of the firm, made a direction in December 2008 with effect on 1 January 2009, under section 148 of the Financial Services and Markets Act 2000. The effect of the direction was to allow the firm to:

(i) take full credit when calculating its mathematical reserves in accordance with INSPRU 1.2 for its reinsurance with the intra-group ISPV, St. James's Place Reassurance (2009) Limited, under the reinsurance agreement dated 31 December 2008 (as amended);

(ii) to allow the reinsurance debts owed to the firm by the ISPV to be admissible; and

(iii) to require the firm, when calculating its capital resources, to value the contingent loan to St. James's Place Reassurance (2009) Limited under the contract with the firm, dated 31 December 2008, at zero.

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

	2012	2011
	£'000	£'000
Admissible assets – other than long-term insurance	50,621	35,535
Admissible assets – long-term insurance	24,052,272	19,472,810
Mathematical reserves	(23,834,018)	(19,235,689)
Other insurance and non-insurance liabilities	(119,149)	(156,117)
Foreseeable dividend	(30,000)	(20,000)
	—————	—————
Net admissible assets	119,726	96,539
Adjustments to capital resources	-	-
	—————	—————
Total capital resources after deductions	119,726	96,539
	=====	=====

0310 Details of positive valuation differences (line 14)

	2012	2011
	£'000	£'000
Tax on deferred acquisition costs	-	151,062
Deferred income	264,282	225,226
Tax on deferred income	(27,241)	(24,830)
Net investment reserves	(9,865)	(4,205)
Other deferred tax differences	840	-
Difference in valuation of policyholder liabilities	18,676	-
Foreseeable dividend	(30,000)	(20,000)
	—————	—————
Total positive valuation difference	216,692	327,253
	=====	=====

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2012

NOTES TO THE RETURN

0311 Details of inadmissible assets (line 73)

	2012	2011
	£'000	£'000
Deferred acquisition costs	682,762	604,247
Tax on deferred acquisition costs	(157,035)	-
Deferred tax assets	98,555	83,777
Contingent loan to SJP Reassurance (2009) Limited	143,974	105,500
	_____	_____
Total inadmissible assets	768,256	793,524
	=====	=====

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

	2012	2011
	£'000	£'000
Profit and loss account and other reserves – Form 3 line 12	542,402	439,189
Prior year profit and loss account and other reserves	(439,189)	(326,659)
Prior year foreseeable dividend	20,000	15,000
Increase in deferred acquisition costs (net of tax)	(72,542)	(81,102)
Increase in deferred income (net of tax)	36,645	36,693
(Increase)/decrease in net investment reserve	(5,660)	3,141
Increase in contingent loan to SJP Reassurance (2009) Limited	(38,474)	(32,746)
Decrease/(increase) in deferred tax asset on expenses available for relief against future profit	7,897	(19,427)
Other deferred tax differences	840	-
Net impact of change in allowance for future tax recoveries on policyholder liabilities	(3,999)	-
Increase in surplus retained within the long-term insurance fund	(18,101)	(14,267)
Current year foreseeable dividend	(30,000)	(20,000)
	_____	_____
Profit and loss retained – Form 16 line 59	(181)	(178)
	=====	=====

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2012

NOTES TO THE RETURN

1305 OLTB: Maximum Counterparty limit

The maximum counterparty limit in respect of deposits held by the company in any one approved credit institution is £40 million.

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 £50 million.

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

1319 LTB: Maximum Counterparty limit

The maximum counterparty limit in respect of deposits held by the company in any one approved credit institution is £40 million.

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 £50 million.

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 £23,431,000.

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.

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

	2012	2011
	£'000	£'000
Deferred income	(264,282)	(225,226)
Tax on deferred income	27,241	24,830
Net investment reserves	9,865	4,205
Deferred tax assets	98,555	83,777
Other deferred tax differences	(840)	-
Differences in valuation of contract liabilities	(18,676)	-
	=====	=====
	(148,137)	(112,414)

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2012

NOTES TO THE RETURN

- *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 included at Form 16 line 21
The entry represents a recharge of £216,000 from the policyholders to the shareholders for recovery of costs incurred in the administration of shareholder investments.
- *1700* Omission of form
Form 17 has been omitted because all entries (including comparatives) would be blank.
- *4002* Amounts included in Form 40 lines 15 and 25
Interest of £1,845,000 received from the Company's insurance dependants has been included in Form 40 line 15. Transaction costs of £11,487,000 from the purchase and sale of investments been included in Form 40 line 25.
- *4008* Management Services
Administration services were provided throughout the year by Prudential UK Services Limited and Capita Life and Pensions Regulated Services Limited.
The internal linked funds are managed by: Taube Hodson Stonex Partners Limited (THS); INVESCO Asset Management Limited (INVESCO); Schroder Investment Management Limited (Schroders); Global Asset Management Limited (GAM); Wellington Management Company LLP; Aristotle Capital Management LLC; Aberdeen Asset Managers Limited; AXA Investment Managers (UK) Limited; Orchard Street Investment Management LLP; Polaris Capital Management Inc; S.W. Mitchell Capital LLP; Jupiter Asset Management Limited; Svenska Handelsbanken Fonder AB (Swedish); Oldfield Partners LLP; RWC Partners Limited; Artemis Investment Management LLP; Artisan Partners Limited Partnership; BlackRock Advisers (UK) Limited; BlackRock Investment Management (UK) Limited; Babson Capital Europe Limited; Burgundy Asset Management Limited; J O Hambro Capital Management Limited; Liberty Square Asset Management LP; First State Investment Management (UK) Limited; Majedie Asset Management Limited; Sands Capital Management LLC; Tweedy, Browne Company LLC; Loomis, Sayles & Company L.P.; and Pimco Europe Limited.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2012

NOTES TO THE RETURN

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

St. James's Place Wealth Management plc, a fellow subsidiary, acts as an intermediary in the provision of financial services products and charged a distribution allowance of £58,546,000 to St. James's Place UK plc in respect of its role as introducer of its 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 group companies and charged £36,894,000 to St. James's Place UK plc in respect of its proportion of the goods and services incurred by the group.

St. James's Place Reassurance (2009) Limited, an intra group ISPV, had £62,458,000 premiums and £98,896,000 claims reassured to it by St. James's Place UK plc, which are reflected in Forms 41 and 42, respectively.

In respect of the St. James's Place managed unit trusts that are held as investments in the St. James's Place life and pension funds, there was income recognised of £1,899.8 million (2011: expense £525.7 million) and the total value of transactions with these was £10,350.6 million (2011: £5,711.7 million).

4401 Basis for determining Asset Value

Listed investments are included at bid-market value. Units in unit trusts are included at published bid prices. 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 an asset of £16,504,000 at the year end (2011: liability of £10,888,000).

4502 Other Income and Expenditure

The entry in Form 45 line 14 represents commission received by the fund for underwriting IPOs.

The entry in Form 45 line 26 represents the following:

	2012	2011
	£'000	£'000
Distributions made	109,436	89,061
Investment transaction costs	11,487	16,482
	—————	—————
Total other expenditure	120,923	105,543
	=====	=====

NOTES TO THE RETURN

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.

5701 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 2012

**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 2012

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%
Controllers of St. James's Place Wealth Management Group plc		
St James's Place plc	100%	100%
Controllers of St. James's Place plc		
HBOS Insurance & Investment Group Limited	57%	57%
Controllers of HBOS Insurance & Investment Group Limited		
Lloyds Banking Group plc	100%	100%
Controllers of Lloyds Banking Group plc		
HM Treasury	39%	39%