

Norwich Union Life (RBS) Limited

Registered office: 2 Rougier Street, York, YO90 1UU

**Annual FSA Insurance Returns for the year ended
31 December 2008**



Returns under the Accounts and Statements Rules

Covering page to Form 2

Name of insurer **Norwich Union Life (RBS) Limited**

Global business

Financial year ended **31st December 2008**

..... **M S HODGES**
Chief Executive

..... **T E STRAUSS**
Director

..... **J R LISTER**
Director

27 March 2009

Statement of solvency - long-term insurance business
Form 2

 Name of insurer **Norwich Union Life (RBS) Ltd**

Global business

 Financial year ended **31st December 2008**

Solo solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	units	
	R2	1117445	GL	31	12	2008	£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		
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	50220	53356
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	50220	53356

Guarantee fund

Guarantee Fund requirement	21	9275	10777
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	40945	42579

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31	27826	32330
Resilience capital requirement	32		
Base capital resources requirement	33	2518	2231
Individual minimum capital requirement	34	27826	32330
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	27826	32330
Excess (deficiency) of available capital resources to cover 50% of MCR	37	36307	37191
Excess (deficiency) of available capital resources to cover 75% of MCR	38	29350	29109

Enhanced capital requirement

With-profits insurance capital component	39		
Enhanced capital requirement	40	27826	32330

Capital resources requirement (CRR)

Capital resources requirement (greater of 36 and 40)	41	27826	32330
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	22394	21026

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 **Norwich Union Life (RBS) Ltd**

Global business

 Financial year ended **31st December 2008**

	Company registration number	GL/ UK/ CM	day	month	year	units	
	R3	1117445	GL	31	12	2008	£000
	1	2	3			4	
	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	

Core tier one capital

Permanent share capital	11		24760		24760	24760
Profit and loss account and other reserves	12		25215		25215	28351
Share premium account	13		245		245	245
Positive valuation differences	14					
Fund for future appropriations	15					
Core tier one capital in related undertakings	16					
Core tier one capital (sum of 11 to 16)	19		50220		50220	53356

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		50220		50220	53356
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		50220		50220	53356

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

 Name of insurer **Norwich Union Life (RBS) Ltd**

Global business

 Financial year ended **31st December 2008**

	Company registration number	GL/ UK/ CM	day	month	year	units	
	R3	1117445	GL	31	12	2008	£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 **Norwich Union Life (RBS) Ltd**

Global business

 Financial year ended **31st December 2008**

	Company registration number	GL/ UK/ CM	day	month	year	units	
	R3	1117445	GL	31	12	2008	£000
	1	2	3	Total as at the end of this financial year		Total as at the end of the previous year	

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71					
Total capital resources before deductions (39+69+71)	72		50220	50220		53356
Inadmissible assets other than intangibles and own shares	73					
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		50220	50220		53356

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81		50220	50220		53356
Available capital resources for 50% MCR requirement	82		50220	50220		53356
Available capital resources for 75% MCR requirement	83		50220	50220		53356

Financial engineering adjustments

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

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

 Name of insurer **Norwich Union Life (RBS) Ltd**

Global business

 Financial year ended **31st December 2008**

 Category of assets **Total other than Long-Term Insurance Business Assets**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	R13	1117445	GL	31	12	2008	£000	1
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings			11					

Investments in group undertakings and participating interests

UK insurance dependants	shares	21		
	debts and loans	22		
Other insurance dependants	shares	23		
	debts and loans	24		
Non-insurance dependants	shares	25		
	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	30502	38690
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	14557
	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	3801
	More than one month withdrawal	55	4100
Other financial investments	56		

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

 Name of insurer **Norwich Union Life (RBS) Ltd**

Global business

 Financial year ended **31st December 2008**

 Category of assets **Total other than Long-Term Insurance Business Assets**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	R13	1117445	GL	31	12	2008	£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	1683	286
	Due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81		193
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	161	122
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	50704	55273
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Analysis of admissible assets
**Form 13
(Sheet 3)**

 Name of insurer **Norwich Union Life (RBS) Ltd**

Global business

 Financial year ended **31st December 2008**

 Category of assets **Total other than Long-Term Insurance Business Assets**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	R13	1117445	GL	31	12	2008	£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	50704	55273
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 insurance undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	50704	55273
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 **Norwich Union Life (RBS) Ltd**

Global business

 Financial year ended **31st December 2008**

 Category of assets **Total Long-Term Insurance Business Assets**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	R13	1117445	GL	31	12	2008	£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		
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	6099
	More than one month withdrawal	55	600
Other financial investments	56		

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

 Name of insurer **Norwich Union Life (RBS) Ltd**

Global business

 Financial year ended **31st December 2008**

 Category of assets **Total Long-Term Insurance Business Assets**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	R13	1117445	GL	31	12	2008	£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		

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	2607	5997
Dependants	Due in 12 months or less	76		
	Due in more than 12 months	77		
Other	Due in 12 months or less	78	498	121
	Due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	24	279
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	9228	6997
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Analysis of admissible assets

**Form 13
(Sheet 3)**

Name of insurer **Norwich Union Life (RBS) Ltd**

Global business

Financial year ended **31st December 2008**

Category of assets **Total Long-Term Insurance Business Assets**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	R13	1117445	GL	31	12	2008	£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	9228	6997
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 insurance undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100	817699	950816
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	826927	957813
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 **Norwich Union Life (RBS) Ltd**

Global business

Financial year ended **31st December 2008**

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	
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12	
Balance of surplus / (valuation deficit)		13	
Long term insurance business fund carried forward (11 to 13)		14	
Claims outstanding	Gross amount	15	555
	Reinsurers' share	16	555
	Net (15-16)	17	
Provisions	Taxation	21	
	Other risks and charges	22	
Deposits received from reinsurers		23	
Creditors	Direct insurance business	31	7290
	Reinsurance accepted	32	
	Reinsurance ceded	33	
Debenture loans	Secured	34	
	Unsecured	35	
Amounts owed to credit institutions		36	1821
Creditors	Taxation	37	
	Other	38	1938
Accruals and deferred income		39	
Provision for "reasonably foreseeable adverse variations"		41	
Total other insurance and non-insurance liabilities (17 to 41)		49	9228
Excess of the value of net admissible assets		51	
Total liabilities and margins		59	9228
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62	
Total liabilities (11+12+49)		71	9228
Increase to liabilities – DAC related		72	
Reinsurers' share of technical provisions		73	817699
Other adjustments to liabilities (may be negative)		74	
Capital and reserves and fund for future appropriations		75	
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	826927
			957813

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

 Name of insurer **Norwich Union Life (RBS) Ltd**

Global business

 Financial year ended **31st December 2008**

	Company registration number	GL/UK/CM	day	month	year	units	
	R15	1117445	GL	31	12	2008	£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		453
	Foreseeable dividend	48		
	Other	49	484	1464
Accruals and deferred income		51		
Total (19 to 51)		59	484	1917
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63		
Total (59 to 63)		69	484	1917

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		
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Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83		
Capital and reserves	84	50220	53356
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	50704	55273

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

 Name of insurer **Norwich Union Life (RBS) Ltd**

Global business

 Financial year ended **31st December 2008**

		Company registration number	GL/ UK/ CM	day	month	year	units	
		R16	1117445	GL	31	12	2008	£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						
Investment income	Income	14			2395		2071	
	Value re-adjustments on investments	15						
	Gains on the realisation of investments	16			273		527	
Investment charges	Investment management charges, including interest	17			42		82	
	Value re-adjustments on investments	18			7845		1334	
	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			832		885	
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29			(4387)		2067	
Tax on profit or loss on ordinary activities		31			(1251)		634	
Profit or loss on ordinary activities after tax (29-31)		39			(3136)		1433	
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			(3136)		1433	
Dividends (paid or foreseeable)		51						
Profit or loss retained for the financial year (49-51)		59			(3136)		1433	

Long-term insurance business: Analysis of claims

Form 42

Name of insurer **Norwich Union Life (RBS) Ltd**
 Total business / subfund **Total Long-Term Insurance Business**
 Financial year ended **31st December 2008**
 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	18316		18316	12561
Disability periodic payments	12				
Surrender or partial surrender	13	80078		80078	102762
Annuity payments	14				
Lump sums on maturity	15				
Total	16	98394		98394	115323

Reinsurance - external

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

Reinsurance - intra-group

Death or disability lump sums	31	18316		18316	12561
Disability periodic payments	32				
Surrender or partial surrender	33	80078		80078	102762
Annuity payments	34				
Lump sums on maturity	35				
Total	36	98394		98394	115323

Net of reinsurance

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

Long-term insurance business: Analysis of expenses

Form 43

Name of insurer **Norwich Union Life (RBS) Ltd**
 Total business / subfund **Total Long-Term Insurance Business**
 Financial year ended **31st December 2008**
 Units **£000**

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

Gross

Commission - acquisition	11				
Commission - other	12				
Management - acquisition	13				
Management - maintenance	14	802		802	683
Management - other	15				
Total	16	802		802	683

Reinsurance - external

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

Reinsurance - intra-group

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34	802		802	683
Management - other	35				
Total	36	802		802	683

Net of reinsurance

Commission - acquisition	41				
Commission - other	42				
Management - acquisition	43				
Management - maintenance	44				
Management - other	45				
Total	46				

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

Form 48

Name of insurer **Norwich Union Life (RBS) Ltd**
 Financial year ended **31st December 2008**
 Category of assets **Total Long-Term Insurance Business Assets**
 Units **£000**

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

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

Land and buildings	11				
Approved fixed interest securities	12				
Other fixed interest securities	13				
Variable interest securities	14				
UK listed equity shares	15				
Non-UK listed equity shares	16				
Unlisted equity shares	17				
Other assets	18				
Total	19				

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	9228	9228	99	3.30
Total	29	9228	9228	99	3.30

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: Summary of mathematical reserves

Form 50

Name of insurer **Norwich Union Life (RBS) Ltd**
 Total business / subfund **Total Long-Term Insurance Business**
 Financial year ended **31st December 2008**
 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				
Form 52	13	758301		758301	924459
Form 53 - linked	14				
Form 53 - non-linked	15				
Form 54 - linked	16				
Form 54 - non-linked	17				
Total	18	758301		758301	924459

Reinsurance - external

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

Reinsurance - intra-group

Form 51 - with-profits	31				
Form 51 - non-profit	32				
Form 52	33	758301		758301	924459
Form 53 - linked	34				
Form 53 - non-linked	35				
Form 54 - linked	36				
Form 54 - non-linked	37				
Total	38	758301		758301	924459

Net of reinsurance

Form 51 - with-profits	41				
Form 51 - non-profit	42				
Form 52	43				
Form 53 - linked	44				
Form 53 - non-linked	45				
Form 54 - linked	46				
Form 54 - non-linked	47				
Total	48				

Long-term insurance business: Valuation summary of accumulating with-profits contracts**Form 52
(Sheet 1)**

Name of insurer **Norwich Union Life (RBS) Ltd**
Total business / subfund **Total Long-Term Insurance Business**
Financial year ended **31st December 2008**
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
500	Life UWP single premium	28283	787035		779242	758301		758301

Long-term insurance business: Valuation summary of accumulating with-profits contracts**Form 52
(Sheet 2)**Name of insurer **Norwich Union Life (RBS) Ltd**Total business / subfund **Total Long-Term Insurance Business**Financial year ended **31st December 2008**Units **£000****UK Life / 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
500	Life UWP single premium		787035		779242	758301		758301

Long-term insurance business: With-profits payouts on surrender

Form 59B

Name of insurer **Norwich Union Life (RBS) Ltd**

Original insurer **Norwich Union Life (RBS) Ltd**

Date of surrender value **1st March 2009**

Category of with-profits policy	Duration at surrender (years)	Surrender value	Terminal bonus	MVA	CWP/UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	2	9260		1667	UWP	Y	11475
With-profits bond	3	10018		1445	UWP	Y	11859
With-profits bond	5	12761	118	24	UWP	Y	12864
With-profits bond	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a

Long-term insurance capital requirement

Form 60

Name of insurer **Norwich Union Life (RBS) Ltd**

Global business

Financial year ended **31st December 2008**

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%		0.50		
Classes I (other), II and IX	13	0.15%				
Classes I (other), II and IX	14	0.3%	28733		43	26
Classes III, VII and VIII	15	0.3%				
Total	16		28733		43	26

Insurance health risk and life protection reinsurance capital component

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

Life protection and permanent health reinsurance	31	0%				
Classes I (other), II and IX	32	1%	817144	0.85	6946	8076
Classes III, VII and VIII (investment risk)	33	1%				
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%				
Classes III, VII and VIII (other)	35	25%				
Class IV (other)	36	1%				
Class V	37	1%				
Class VI	38	1%				
Total	39				6946	8076

Insurance market risk capital component

Life protection and permanent health reinsurance	41	0%				
Classes I (other), II and IX	42	3%	817144	0.85	20837	24228
Classes III, VII and VIII (investment risk)	43	3%				
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%				
Classes III, VII and VIII (other)	45	0%				
Class IV (other)	46	3%				
Class V	47	0%				
Class VI	48	3%				
Total	49		817144		20837	24228

Long term insurance capital requirement	51				27826	32330
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Supplementary notesName of insurer **Norwich Union Life (RBS) Limited**

Global business

Financial year ended **31st December 2008****Code**

0301	Reconciliation of net admissible assets to total capital resources after deductions.	£'000
i)	Net admissible assets	
	Form 13 Line 89 (Long term business)	9,228
	Form 13 Line 89 (Other than long term business)	50,704
	Form 14 Lines 11, 12 and 49	(9,228)
	Form 15 Line 69	(484)
		<u>50,220</u>
ii)	Components of Capital resources that are treated as a liability	-
iii)	Components of capital resources not included in ii) that arise as a result of a waiver and are not represented by admissible assets included in Form 13	-
iv)	Any other items	-
	Total i) to iv) above	<u>50,220</u>
	Form 3, line 79	50,220

0313	Reconciliation of profit and loss account and other reserves	£'000
i)	Profit and loss account and other reserves at the end of the previous financial year (Form 3 Line 12 Column 4)	28,351
ii)	Profit/(loss) retained for the financial year (Form 16 Line 59)	(3,136)
iii)	Profit/(loss) arising in long-term insurance funds that has not been transferred to the shareholder fund	-
iv)	Any other items	-
	Profit and loss account and other reserves at the end of this financial year (Form 3 Line 12 Column 3)	<u>25,215</u>

1100 Form omitted

The entries on Form 11 are nil. Accordingly this form is not required.

1200 Form omitted

The entries on Form 12 are nil. Accordingly this form is not required.

1301 Aggregate value of unlisted investments**1308**

There were no holdings in unregulated collective investment schemes, unlisted securities, listed securities which are not readily realisable, or reversionary interests or remainders in property.

1304 Statement of amounts set off**1310**

Amounts have been set off to the extent permitted by generally accepted accounting principles.

1305 Counterparty limits during the year**1319**

The maximum permitted exposure to counterparties is set out in the Investment Management Agreement with Aviva Investors Global Services Limited and approved by the Norwich Union Life Investment Committee, as follows:

Deposits

Each Long Term Business Fund cannot hold more than 2% of funds under management (or £100m if less) with 'Tier 1' counterparties, 1.5% of funds under management (or £75m if less) with 'Tier 2' counterparties and 0.5% of funds under management (or £25m if less) with 'Tier 3' counterparties. Tier 1 represents AAA rated institutions, Tier 2 represents institutions rated AA- or better whilst Tier 3 represents institutions rated A- or better.

The other than long term business fund is subject to the absolute counterparty restrictions below.

The absolute limit for a particular counterparty holding at the end of the financial year was £400m for Tier 1, £300m for Tier 2 and £100m for Tier 3.

Supplementary notes

Name of insurer **Norwich Union Life (RBS) Limited**

Global business

Financial year ended **31st December 2008**

Code

Equities

For listed investments, the maximum of a company's equity held by a particular fund is limited to 5% in the UK, and 2.5% overseas. The maximum of a company's equity held by all funds is limited to 10%.

Unlisted holdings in excess of 10% are only held with the approval of senior investment management.

Fixed

Exposure to non-government bonds is limited to holdings, which are deemed to be of a suitable investment grade determined by senior investment management. The maximum of a fixed interest issue held by a particular fund is limited to 10%. The maximum holding of the Company is limited to 25% of the issue.

Unlisted holdings in excess of 10% are only held with the approval of senior investment management.

Derivatives

Exposure to OTC derivatives is only undertaken with the approval of senior management.

Exposure to one type of contract is limited to 5% and overall exposure is limited to 10% of the relevant fund.

1306 Counterparty exposure at the year end

1312

There is no counterparty exposure in excess of the limit prescribed by paragraph 11(2) of Appendix 9.1.

1401 Provision for reasonably foreseeable adverse variations

1501

No provision for reasonably foreseeable adverse variations or less liquid assets is required as no assets are held which would give rise to a future liability which would not be covered by appropriate assets.

1402 Contingent liabilities, etc.

1502

There are no charges over any assets of the Company.

There is no provision for taxation on capital gains and no unprovided potential liability.

There are no other contingent liabilities not included on the form.

There are no guarantees, indemnities, or other contractual commitments affected other than in the ordinary course of insurance business and in respect of related companies.

1601 Basis of conversion of foreign currency

Revenue transactions of those operations, which are traded in currencies other than sterling, are translated at average rates of exchange for the financial year.

1603 Other income and charges

The entire balance represents fund based commission due from related counterparties.

1700 Form omitted

The entries on Form 17 are nil. Accordingly this form is not required.

4000 Form omitted

The entries on Form 40 are nil. Accordingly this form is not required.

4008 Provision of management services

Under a management agreement Norwich Union Life Services Limited supplies and makes a charge for the provision of management services to the Company.

Supplementary notes

Name of insurer **Norwich Union Life (RBS) Limited**

Global business

Financial year ended **31st December 2008**

Code

4009 Related party transactions

Related party transactions exceeding 5% of sum of the company's long-term insurance liabilities, excluding property linked assets and net of reinsurance ceded, were as follows:

1)	Connected party	Commercial Union Life Assurance Company Limited (CULAC)
	Nature of relationship	Fellow group undertaking
	Nature of transactions during the period	Reinsurance ceded
	Value of transactions during the period	Claims £44.3m
2)	Connected party	CGNU Life Assurance Limited
	Nature of relationship	Fellow group undertaking
	Nature of transactions during the period	Reinsurance ceded
	Value of transactions during the period	Claims £54.1m

4100 Form omitted

The entries on Form 41 are nil. Accordingly this form is not required.

4600 Form omitted

The entries on Form 46 are nil. Accordingly this form is not required.

4700 Form omitted

The entries on Form 47 are nil. Accordingly this form is not required.

4806 Assets used to calculate investment return

The assets included in total long term insurance business assets Form 13, line 89 have been used to calculate the investment returns shown on line 29, column 5.

5800 Form omitted

The entries on Form 58 are nil. Accordingly this form is not required.

Valuation report prepared by the actuarial function holder – IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life (RBS) Limited**

Global business

Financial year ended **31 December 2008**

1. Introduction

- (1) The **valuation date** is 31 December 2008.
- (2) The previous valuation was completed with an effective date of 31 December 2007.
- (3) No interim valuations have been carried out.

2. Product Range

There have not been any significant changes to products during the financial year. This fund is closed to new business.

3. Discretionary charges and benefits

- (1) Market Value Reductions (MVR's) applied between 21/10/2008 and 31/12/2008 for all the purchase years
- (2) There have been no changes to premiums on reviewable protection policies.
- (3) The fund does not have any non-profit deposit administration benefits.
- (4) Linked policies are not written.
- (5) Linked policies are not written.
- (6) There have been no changes to notional charges to accumulating with profit business. Linked policies are not written.
- (7) Linked policies are not written.
- (8) Linked policies are not written.
- (9) Linked policies are not written.
- (10) Linked policies are not written.

4. Valuation basis (other than for special reserves)

(1) Valuation methodology

£10m is more than 1% of gross mathematical reserves = £8.2m. Therefore £8.2m has been used as the materiality limit for this section.

Unitised with-profit business is valued initially by determining the lower of:

- (a) the current non-guaranteed surrender value; and
- (b) the amount of this benefit after removal of final bonus/MVR.

This result is then compared with a prospective valuation and the higher result taken.

The prospective valuation projects future benefits assuming future premiums cease and future bonuses are zero, except for policies with a guaranteed minimum bonus rate, where this guaranteed bonus is allowed for. An allowance is made for future non-guaranteed surrenders.

The valuation makes allowance for future dates at which a policyholder can surrender part or all of their policy and receive a guaranteed minimum value (including a money-back guarantee at a future policy anniversary). Further details are given in section 5(2).

Provision is made for future expenses on the basis of the charges made to the Company under the Management Services Agreement with Norwich Union Life Services assuming future inflation at 1.87% per annum.

Valuation report prepared by the actuarial function holder – IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life (RBS) Limited**

Global business

Financial year ended **31 December 2008****(2) Valuation interest rates**

A table of valuation interest rates used is given below.

Product Group	Interest rate 31/12/2008	Interest rate 31/12/2007
Life Assurances All Unitised with-profit business	3.20%	3.55%

(3) Adjustment to yield for credit risk**Equity/property assets:**

In both cases the assets have been ordered by yield and divided into different categories. The yield in each category is capped. This means that very low-yielding assets retain this low rate but high-yielding assets are capped. This reduces the average yield on equity/property assets.

The size of the reduction depends on the assets held by CGNU Life Assurance Limited (CGNU) and Commercial Union Life Assurance Company Limited (CULAC), for details see respective Appendix 9.4 reports.

Fixed interest securities

The allowance for credit risk will vary depending on the credit rating of the bond. The table below shows the allowances used.

Corporate Bond Deductions								
Rating	AAA	AA	A	BBB	BB	B	C	Alternative Investments
Deduction	0.09%	0.28%	0.32%	0.67%	1.68%	3.10%	4.95%	0.67%

For the purposes of the valuation a single deduction was calculated and applied to all bonds. This was an average of the allowances for securities with different credit ratings, weighted by the bonds' market values at 30 September 2008 plus an additional margin of 0.50% for anticipated higher defaults in the short-term.

The deduction used was 0.89%. It applies to all fixed interest securities except Approved fixed interest (gilts and other bonds issued by approved UK and international public sector bodies).

For Mortgages, a deduction of 1.0% was used, while for Deposits, the equivalent deduction was 0.10%.

(4) Mortality assumptions

The table below shows the mortality basis for business written by the fund.

Product	Mortality basis 31 December 2008	Mortality basis 31 December 2007
Unitised With Profits	108.1% AMC00 sel/AFC00 sel	120%AM92/AF92

- There are no products where the assurance mortality basis is expressed as 'modified table'.

Allowance for future changes in mortality where not implicit in the basis:

There are no explicit reserves for alterations to mortality. All future changes are made to the tables used to calculate base mathematical reserves.

- (5) No morbidity assumptions were needed.

(6) Expense assumptions

Expense assumptions are taken as 120% (130% in 2007) of the amounts detailed in the Management Services Agreement (MSA). This loading is used to set a long-term assumption for additional costs arising within the business (e.g. project costs, regulatory fees, audit fees) and to give a margin for adverse deviation.

The table below shows the MSA expenses for 2007 and 2008. The figures shown will be charged to policies in 2007/2008 respectively and form the base position for the valuation expense assumptions.

Valuation report prepared by the actuarial function holder – IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life (RBS) Limited**

Global business

Financial year ended **31 December 2008**

NUL(RBS)		
Renewal Admin (£ per policy)	2008	2007
UWP Bond (500)	39.10	18.85

Assumed future expense inflation:

1.87% per annum (RPI, as set by the MSA agreement)

Investment expenses:

The yield on the asset classes backing the liabilities was reduced for investment expenses. This reduced the upper bound on the interest rates used in the valuation. The adjustments are shown in the Appendix 9.4 reports of CGNU and CULAC.

Tax relief on expenses on products in the BLAGAB fund has been assumed using a rate of 20.00%.

(7) Linked policies are not written.

(8) Bonus assumptions**Unitised with-profit business:**

The Company reinsures 100% of its business to realistic basis life firms so no allowance has been made for future discretionary annual bonus. Since no business has a guaranteed annual bonus rate, assumptions for future annual bonus are zero. No allowance has been made for discretionary final bonus.

(9) Persistency assumptions

The persistency rates used are as follows. These represent the assumptions for exits where an MVR would be applied. They apply to amounts remaining after policyholders with guaranteed benefits have taken their money (either in regular withdrawals or through a full surrender guarantee).

Product		Average lapse/surrender/paid-up rate for the policy years			
		1-5	6-10	11-15	16-20
UWP bond	Surrender	2.14%	10.58%	7.13%	7.13%
UWP bond	Automatic withdrawals	100% of current	100% of current	100% of current	100% of current

For policies with a money back option available, we have assumed an exit rate of 100% at the next guarantee date.

(10) Other basis items:**Taxation**

Valuation interest rates on Life business include an allowance for taxation. This allowance has been arrived at using the following assumption:

- A tax rate of 20% has been assumed in respect of income on Fixed Interest and Property assets (for Life business). No allowance has been made for taxation on equity income.

(11) No account was taken in the valuation of the long term liabilities of any derivative assets held on the valuation date.

(12) The specified changes in valuation methodology arising from changes in INSPRU valuation rules have had no effect on mathematical reserves.

Valuation report prepared by the actuarial function holder – IPRU (INS) Appendix 9.4

Name of Company **Norwich Union Life (RBS) Limited**
Global business
Financial year ended **31 December 2008**

5. Options and Guarantees

(1) There are no Guaranteed Annuity Rate Options.

(2) **Guaranteed surrender and unit-linked maturity values:**

All policies have a guaranteed surrender value.

There are two types of guaranteed surrender value:

- The option to surrender the policy on a certain set of dates with the total benefit being underpinned by the total premium paid into the policy (a money-back guarantee)
- The option to take a certain level of regular withdrawals without an MVR being applied.

(a) **Methodology:**

In both of the cases above the overall reserve for a policy has been calculated as:

$\text{Max}([\text{Accumulated Benefit} + \text{adjustment}], [\text{Prospective reserve for future benefit}])$.

- The [Accumulated Benefit + adjustment] item is calculated in accordance with INSPRU 1.2.71R(1).
- The [Prospective reserve for future benefit] is calculated as the present value of the benefit paid to the policyholder after allowing for lapses. The basis of the calculation will include assumptions for surrender before the guarantee date(s), an assumption about the percentage of remaining policyholders who choose to surrender on their guarantee date(s) and an assumption for the level of MVR-free regular withdrawals taken by policyholders.

Persistency assumptions are given in item 4(9), along with assumptions about guarantee take-up. The interest rates used in the calculation are given in 4(2).

The guarantee is explicitly valued as part of the main calculation – there is no explicit reserve for it.

The tables show the unit value in force as the guaranteed amount. This is a proxy for the amount payable under the regular withdrawal guarantee, as a policyholder could ultimately redeem all of their units through regular withdrawals.

Where a spread of duration is shown, duration refers to the next date at which the policyholder could fully surrender with a guarantee (either no-MVR or money-back).

Valuation report prepared by the actuarial function holder – IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life (RBS) Limited**

Global business

Financial year ended **31 December 2008**

(b)

(i) Product name	(ii) basic reserve (£)	(iii) spread of outstanding term	(iv) guarantee reserve (£)	(v) guaranteed amount (£)	vi) MVR-free conditions			(vii) in force regular premiums	(viii) increments allowed to policy?
					1) no-MVR guarantee on full surrender	2) money-back guarantee (full surrender)	3) regular withdrawal guarantee		
Joint Venture Bond / Joint Venture Bond Income Fund; all contracts issued 28/1/02 to 25/1/04 inclusive (implicit charged)	630,351,616	57% with duration 4 years; 41% with duration 5 years; 2% with duration 6 years	0	647,992,987	None	The amount paid on the 10th anniversary will be at least the amount used to buy the units cashed, less the amount of any regular withdrawals or charges for life cover.	No MVR on regular withdrawals up to 7.5% of initial investment in With Profits Fund. MVR applies to units cancelled from With Profit Income Fund if amount withdrawn is greater than the units allocated by way of bonus.	0	No
Joint Venture Bond / Joint Venture Bond Income Fund; all contracts issued 26/1/04 to 5/2/05 inclusive (explicit charge)	186,792,468	90% with duration 1 years; 10% with duration 2 years	0	190,092,006	None	The amount paid on the 5th or 10th anniversary will be at least the amount used to buy the units cashed, less the amount of any regular withdrawals or charges for life cover.	No MVR on regular withdrawals up to 5% of initial investment in With Profits Fund. MVR applies to units cancelled from With Profit Income Fund if amount withdrawn is greater than the units allocated by way of bonus.	0	No

The Company stopped selling new policies at 05 February 2005; new policies are now written in CGNU.

There is no unit linked business.

(3) Not applicable.

(4) Not applicable.

6. Expense Reserves

- (1) The aggregate allowance for expenses during 2008 arising from direct-written contracts was nil as all reserves are reinsured out.
- (2) Not applicable as with-profit Bond policies are wholly reassured.
- (3) Not applicable as with-profit Bond policies are wholly reassured.
- (4) Not applicable as with-profit Bond policies are wholly reassured.
- (5) Not applicable as with-profit Bond policies are wholly reassured.
- (6) Not applicable as with-profit Bond policies are wholly reassured.

7. Mismatching Reserves

- (1) The liabilities of the Company are denominated in sterling and entirely reinsured out. Currency matching is complete; for evidence please see the Appendix 9.4 reports of CGNU and CULAC.
- (2) Not applicable.
- (3) Not applicable.
- (4) The Company does not have a resilience capital requirement.
- (5) Not applicable.
- (6) Not applicable.
- (7) Refer to the CGNU and CULAC FSA Returns. Liquidity risk arises in these companies.

Valuation report prepared by the actuarial function holder – IPRU (INS) Appendix 9.4Name of Company **Norwich Union Life (RBS) Limited**

Global business

Financial year ended **31 December 2008****8. Other Special Reserves**

None are held.

9. Reinsurance

- (1) No premiums were payable during the reporting period for business ceded on a facultative basis to reinsurers who are not permitted to carry on business in the United Kingdom.
- (2) The section below responds for those treaties that satisfy 9.2(a), (b) or (c).
- (d) CGNU and CULAC
 - (e) The treaty provides cover for Unitised with-profit Bond on a quota share original terms basis. The proportions of the risk are 45% (CULAC) and 55% (CGNU). The total proportion of the risk ceded is 100%. The expenses (both initial and renewal) and commission are refunded by the reassurers in full
 - (f) The premium payable by the Company during 2008 was £0.
 - (g) There are no deposit-back arrangements.
 - (h) The treaty is closed to new business.
 - (i) There are no significant undischarged obligations to the reinsurers as at 31 December 2008.
 - (j) The mathematical reserves ceded under the treaty total £817,144,000.
 - (k) The Company does not retain any liability for new policies being reinsured.
 - (l) The reinsurers are authorised to carry on insurance business in the United Kingdom.
 - (m) The Company is connected with the reinsurer.
 - (n) The treaty is not subject to any material contingencies.
 - (o) No provision was made for refund of reinsurance commission in the event of lapse or surrender of the contracts.
 - (p) The treaty is not a financing arrangement.

10. Reversionary (annual, regular) bonus

(1)

Product	Amount of mathematical reserve (£m)	Regular bonus (2007)	Regular bonus (2008)	Guaranteed bonus (2008)
Unitised Life				
Life excluding Distribution Bonds (Implicit charge)	504.8	3.25%	3.25%	0.00%
Life excluding Distribution Bonds (Explicit charge)	182.6	4.25%	4.25%	0.00%
Distribution Bonds (Implicit charge)	125.5	2.75%	2.75%	0.00%
Distribution Bonds (Explicit charge)	4.2	4.00%	4.00%	0.00%

In addition to the rates above a special bonus of 3.6% of the value of units has been credited to eligible policies during 2008.

- (2) The figures for bonus awarded on Unitised With-Profits business show the percentage increase in unit price during the year.
- (3) None of the business receives bonus on a super-compound basis.
- (4) We have not used averaging in the table above.

Returns under the Accounts and Statements Rules

Statement on derivatives required by IPRU (INS) 9.29

Name of insurer **Norwich Union Life (RBS) Limited**

Global business

Financial year ended **31st December 2008**

It is not company policy to invest in derivatives or quasi-derivatives and no such investments have been made during the year ended 31 December 2008. There are no other matters to disclose in relation to rule 9.29 of the Interim Prudential Sourcebook for Insurers.

Returns under the Accounts and Statements Rules

Statement on controllers required by IPRU (INS) 9.30

Name of insurer **Norwich Union Life (RBS) Limited**

Global business

Financial year ended **31st December 2008**

100% of the issued share capital of the Company is held by Commercial Union Life Assurance Company Limited.

100% of the issued share capital of Commercial Union Life Assurance Company Limited is held by Norwich Union Life Holdings Limited.

100% of the issued share capital of Norwich Union Life Holdings Limited is held by Aviva Group Holdings Limited.

100% of the issued share capital of Aviva Group Holdings Limited is held by the Ultimate Parent Undertaking, Aviva plc.

There have been no changes to the above position during the year.

All shares are voting shares.

Statement of information on the with-profits actuary required by IPRU (INS) 9.36

Name of insurer **Norwich Union Life (RBS) Limited**

Global business

Financial year ended **31st December 2008**

In accordance with rule 9.36 of the Interim Prudential Sourcebook for Insurers, A R Walton, who resigned as the with-profits actuary of the Company on 31 March 2008, and R G Myers, who was appointed as the with-profits actuary of the Company on 15 May 2008, were requested to furnish and have provided the following information:

(1) A R Walton

- (a) (1) An interest in 1,715 ordinary shares at 31 December 2008 in Aviva plc (2007: 738);
- (2) 8,536 ordinary shares held in the Aviva Long Term Incentive Plan at 31 December 2007 lapsed on 31 March 2008, and 6,788 ordinary shares held in the Aviva Annual Bonus Plan at 31 December 2007 were exercised on 2 April 2008.
- (b) The actuary held general insurance policies with subsidiaries of Aviva plc for which total premiums of £1,140 were paid in the year to 31 December 2008 (2007: £1,082).
- (c) The aggregate amount of remuneration, bonuses and the value of other benefits (excluding pension rights) under the actuary's contract of employment with Aviva Employment Services Limited for the year to 31 December 2008 was £246,566 (2007: £248,720). Under the contract he was:

With-profits actuary of:-
Commercial Union Life Assurance Company Limited
CGNU Life Assurance Limited
Norwich Union Life (RBS) Limited
Norwich Union Life & Pensions Limited

- (d) Pensions and life assurance benefits as provided to all employees under the terms and conditions of the Aviva Companies' UK Pensions Schemes. Sickness and accident benefits as provided to all employees under the terms and conditions of these schemes.

(2) R G Myers

- (a) (1) The actuary holds no shares in Aviva plc and no shares in any other group companies.
- (2) Under the company's sharesave scheme, the actuary holds options to acquire 4,085 shares in Aviva plc for £4.10 per share on 1 December 2013.
- (b) The actuary has no policies of insurance with Aviva plc or subsidiaries of Aviva plc.
- (c) The aggregate amount of remuneration, bonuses and the value of other benefits (excluding pension rights) under the actuary's contract of employment with Aviva Employment Services Limited for the year to 31 December 2008 was £223,983 (2007: £Nil). Under the contract he was:

With-profits actuary of:-
Commercial Union Life Assurance Company Limited
CGNU Life Assurance Limited
Norwich Union Life (RBS) Limited
Norwich Union Life & Pensions Limited

- (d) Pensions and life assurance benefits as provided to all employees under the terms and conditions of the Aviva Companies' UK Pensions Schemes. Sickness and accident benefits as provided to all employees under the terms and conditions of these schemes.

Certificate by the directors required by IPRU (INS) 9.34(1) and IPRU (INS) Appendix 9.6

Name of insurer **Norwich Union Life (RBS) Limited**

Global business

Financial year ended **31st December 2008**

We certify that:

- 1 (a) the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU; and
- (b) the directors are satisfied that:
 - (i) throughout the financial year in question, the insurer has complied in all material respects with the requirements in 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) in the directors' 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) 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) the with-profits fund has been managed in accordance with the Principles and Practices of Financial Management, as established, maintained and recorded under COBS 20.3; and
- (d) the directors have, in preparing the return, taken and paid due regard to:
 - (i) advice from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R; and
 - (ii) advice from every actuary appointed by the insurer to perform the with-profits actuary function in accordance with SUP 4.3.16AR.

..... **M S HODGES**
Chief Executive

..... **T E STRAUSS**
Director

..... **J R LISTER**
Director

27 March 2009

Returns under the Accounts and Statements Rules

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

Name of insurer **Norwich Union Life (RBS) Limited**
Global Business
Financial year ended **31st December 2008**

We have examined the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Chapter 9 of 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 ("the Act").

- Forms 2, 3, 13 to 16, to 43, 48 and 60 (including the supplementary notes) ("the Forms");
- the statement required by rule 9.29 ("the statement"); and
- the report required by rule 9.31(a) ("the valuation report").

We are not required to examine and do not express an opinion on the following:

- a) Forms 50, 52 and 59B (including the supplementary notes);
- b) the statements required by rules 9.30 and 9.36; and
- c) the certificate signed in accordance with rule 9.34(1).

This report is made solely to the insurer's directors, in accordance with IPRU(INS) rule 9.35. Our examination has been undertaken so that we might state to the insurer's directors those matters we are required by the Rules to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the insurer for our examination, for this report, or for the opinions we have formed.

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. 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 prepared in accordance with IPRU(INS) rule 9.31(a) 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, the insurer has not kept proper accounting records or if we have not received all the information we require for our examination.

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 on which we reported on 31 March 2009. 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 audited 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.

Returns under the Accounts and Statements Rules

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

Insurers

Name of insurer **Norwich Union Life (RBS) Limited**

Global Business

Financial year ended **31st December 2008**

Opinion

In our opinion:

- (a) the Forms, the statement and the valuation report fairly state the information provided on the basis required by the Rules and have been properly prepared in accordance with the provisions of those Rules; and
- (b) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report prepared in accordance with IPRU(INS) rule 9.31(a) appropriately reflect the requirements of INSPRU 1.2.

Ernst & Young LLP
Registered Auditor
London
31 March 2009