

Annual certification required from the Board under the 2013 Scheme, Paragraphs 36.1.1 and 36.1.2

The FLL Board certifies that, having taken account of appropriate actuarial advice: *'the provisions of Part E and F of the "2013 Scheme" have been complied with since the date of the last such certificate of 31 December 2014 to midnight 31 December 2015'.*



Andy Briggs
Chief Executive
24 March 2016

The FLL Board certifies that:

'The current investment policy of the FL FPLAL With Profits Fund accords with the objective set out in the FL FPLAL With Profits Fund's Principles and Practices of Financial Management.'



Andy Briggs
Chief Executive
24 March 2016

Annual With Profits Actuary certificate under the 2013 FLL Scheme, paragraph 36.1.3.

I certify that:

The provisions of the 2013 Scheme applicable to the FLL FP With Profits Fund and relating to actuarial matters and any other matters in respect of which consultation with or advice or approval of that With Profits Actuary is required pursuant to this Scheme have been complied with in all material respects since the date of the last such certificate, 31 December 2014, through to and including 31 December 2015.



M R Kipling
With Profits Actuary

24 March 2016

Annual Certification under paragraph 36.1.4 of the FLL 2013 Scheme

Name of Insurer Friends Life Limited

CERTIFICATE OF THE WITH PROFITS COMMITTEE OF THE FLC OLD WITH PROFITS FUND

Financial Year ended 31 December 2015

1 Overall Conclusion

The With Profits Committee, having been advised by the With Profits Actuary, hereby certifies pursuant to paragraph 36.1.4 of the FLL 2013 Scheme (see note 1) that in 2015 ('the period') it considers, based on the evidence that has been presented to the Committee, that

- a) the FLC Old With Profits Fund (OWPF) of Friends Life Limited (FLL) was managed in a manner that was consistent with the terms of the FLL 2013 Scheme and of the FL FLC Principles and Practices of Financial Management (PPFM) and in a way which is fair to the holders of Monitored Policies; and
- b) Any amendments to the PPFM have been in accordance with the terms of the FLL 2013 Scheme and the PPFM.

2 Detailed Conclusions

- a) The With Profits Committee is satisfied, based on the evidence presented to it, that:
 - i. the operation and management of the OWPF and the FLC New With Profits Fund (NWPF) in the period was performed in accordance with the terms of the FLL 2013 Scheme and of the PPFM and in a way which is fair to the holders of Monitored Policies.
- b) The With Profits Committee has reviewed:
 - i. the investment policy of the OWPF during the period including the equity backing ratio;
 - ii. the bonus policy of FLL in respect of policies allocated to the OWPF during the period (during which bonus rates, including rates of Reorganisation Bonus, on policies allocated to the OWPF were identical to those on identical policies allocated to the NWPF); and
 - iii. the surrender terms applied in the period to policies allocated to the OWPF

and is satisfied that these are in accordance with the PPFM and that none of those items have been managed by FLL in a way prejudicial to the reasonable expectations of holders of Monitored Policies.

3 Financial Support from the Non Profit Fund (NPF) of FLL

- a) The need for financial support for the OWPF and for the NWPF was assessed by FLL at 1 January 2015 in accordance with paragraph 29.2.(G) of the FLL 2013 Scheme. No financial support was required by the OWPF or by the NWPF.
- b) The solvency on both a regulatory and a realistic basis of the OWPF and of the NWPF were assessed by FLL throughout the period. No financial support was required by the OWPF or by the NWPF.

Based on the evidence presented to it, the With Profits Committee is satisfied that these assessments in paragraphs 3 (a) and 3 (b) were made by FLL in accordance with the provisions of the FLL 2013 Scheme.

- c) A further assessment of the need for financial support for the OWPF and for the NWPF in accordance with paragraph 29.2.(G) of the FLL 2013 Scheme is in the process of being made by FLL. The With Profits Committee will report further on this assessment in its certificate in respect of 2016.

4. Excess Surplus

The With Profits Committee is satisfied, based on the evidence presented to it, that any review of excess surplus in the OWPF required by Regulatory Requirements during the financial year ended 31 December 2015 was carried out in accordance with those Regulatory Requirements.

5. Special Scheme Bonus and capital support

The With Profits Committee is satisfied, based on the evidence presented to it, that the review of the Special Scheme Bonus and capital support for the OWPF at 31 December 2015 was made by FLL in accordance with the provisions of the FLL 2013 Scheme and that the way in which any resulting Special Scheme Bonus was allocated to policyholders (including the timing of Special Scheme Bonuses) was reasonable and in accordance with the provisions of the FLL 2013 Scheme.

6. Basis for the Certificate of the With Profits Committee

- a) In preparing this certificate, the With Profits Committee has, as stated above, been advised by the With Profits Actuary, and has had full access to documents and reports prepared by FLL and by its With Profits Actuary and Actuarial Function Holder.

Note 1: The 'FLL 2013 Scheme' means the Court Scheme as approved by the High Court, by the Royal Court of Jersey and by the Royal Court of Guernsey in December 2013. 'Monitored Policies' are as defined in the Scheme.

Sir Leigh Lewis
Chairman of the With Profits Committee
7 May 2016

A handwritten signature in black ink that reads "Leigh Lewis". The signature is written in a cursive style with a large initial 'L'.