

National specific template Log NS.02 – with-profits liabilities and assets and liabilities

CELL	ITEM	INSTRUCTIONS
N/A	General Comment	Where the firm as a whole is a single with-profits fund the firm must complete NS.02, otherwise the firm must complete NSR.02 for each ring-fenced fund which is also a with-profits fund.
R0010/ C0030	With-profits benefits reserve	With-profits benefits reserve for all policies, whether calculated retrospectively or prospectively <u>excluding Holloway sickness policies</u> . These include the Holloway member accounts for Holloway business but exclude the sickness element. Amounts should correspond to S.12.01.01 R0030. This item corresponds to with-profits policy liabilities (other than future policy-related liabilities) in Surplus Funds 3.2 of the PRA Rulebook.
R0020/ C0030	Asset shares where applicable	With-profits benefits reserve for policies where this is calculated retrospectively <u>in accordance with Surplus Funds 3.3</u> . The firm must take account of at least the following: <ul style="list-style-type: none"> • premiums received from the policyholder; • any expenses incurred or charges made (including commission); • any partial benefits paid or due; • any investment income on, and any increases (or decreases) in, asset values; • any tax paid or payable; • any amounts received (or paid) under contracts of reinsurance or analogous non-reinsurance financing agreements, where relevant to retrospective reserves; • any shareholder transfers and any associated tax paid or payable; and • any enhancements to (or deductions from) the retrospective reserves which are permanent in accordance with Surplus Funds 3.3(3) and 3.3(4) of the PRA Rulebook. Provisional allocations should be excluded.
R0050/ C0030	Prospective reserve where asset shares not applicable	With-profits benefits reserve for policies where this is calculated prospectively <u>in accordance with Surplus Funds 3.4</u> . The firm must take account of at least the following: <ul style="list-style-type: none"> • future premiums; • expenses to be incurred or charges to be made (including commission); • benefits payable; • tax payable; • any amounts to be received (or paid) under contracts of reinsurance or analogous non-reinsurance financing agreements, where relevant to prospective reserves; and • shareholder transfers.
R0030/ C0030	Total past miscellaneous surplus included in WPBR	Total past miscellaneous surplus included in the with-profits benefits reserve (WPBR) which is permanent in accordance with Surplus Funds 3.3(3) and 3.3(4) of the PRA Rulebook. Provisional allocations should be excluded.

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R0040/ C0030	Miscellaneous surplus added at valuation date included in WPBR	Miscellaneous surplus added at the valuation date included in the with-profits benefit reserve (WPBR) which is permanent in accordance with Surplus Funds 3.3(3) and 3.3(4) of the PRA Rulebook. Provisional allocations should be excluded.
R0070/ C0030	Future costs of contractual guarantees	Expected cost of paying excess claim amounts due to the guaranteed benefits exceeding the with-profits benefit reserve at the date of claim. Future cost of guarantees cannot be negative. Examples are guaranteed sums assured and bonuses on maturity or retirement, guarantees at a point in time and guaranteed minimum bonus rates, but exclude cost of financial options. With-profits benefits reserve is after allowing for past deductions for guarantees, options, smoothing and other costs.
R0080/ C0030	Future costs of non-contractual commitments	Future costs in addition to R0070/C0030, where the firm expects to pay further amounts to meet non-contractual commitments including liabilities arising from the regulatory duty for firms to treat customers fairly. <u>This includes amounts such as a mortgage endowment promise and excludes any requirement to distribute the estate in a closed fund.</u>
R0090/ C0030	Future costs of financial options	Future costs of financial options such as guaranteed annuity rates and cash option rates.
R0100/ C0030	Future costs of smoothing	The present value of the difference between projected claims and the projected with-profits benefit reserve after enhancements, other than payouts on guarantees. Future costs of smoothing can be negative.
R0110/ C0030	Financing costs	Future liabilities to repay financing costs to the extent that adequate provision has not been made elsewhere in the liabilities.
R0120/ C0030	Other with-profits insurance liabilities	Any other liabilities arising from or in connection with with-profits contracts to the extent that adequate provision has not been made elsewhere in the best estimate liabilities, but excluding items which are not part of technical provisions.
R0130/ C0030	Planned deductions for guarantees, options and smoothing	Expected future charges from the with-profits benefits reserve to cover the costs of guarantees, options or smoothing.
R0140/ C0030	Planned deductions for other costs	Expected future charges from the with-profits benefits reserve excluding those in item R0130/C0030.
R0060/ C0030	Future policy related liabilities	Calculated as $SUM([R0070:R0120]/C0030) - (R0130/C0030) - (R0140/C0030)$
R0150/ C0030	Total with-profits best estimate liabilities	Sum of with-profits benefits reserve and future policy related liabilities. <u>Amounts should correspond to S.12.01.01 R0030 C0020 + C0110.</u>
R0160/ C0030	Overall investment return post investment costs but pre-tax	If the firm identifies a portfolio of assets to back asset shares the returns must be based on these assets. If there are several asset share portfolios the returns in R0160/C0030 - R0180/C0030 must be based on the largest. Entered as a percentage to 2 decimal points, e.g. 4.25%.

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R0170/ C0030	Investment return allocated to non-taxable 'asset shares'	Investment return allocated to non-taxable (e.g. pensions) business. Entered as a percentage to 2 decimal points, e.g. 4.25%.
R0180/ C0030	Investment return allocated to taxable 'asset shares'	Investment return allocated to taxable (e.g. endowment) business. Entered as a percentage to 2 decimal points, e.g. 3.95%.
R0190/ C0030	Miscellaneous surplus adjustment to investment return	Adjustment to investment return in valuation year to distribute miscellaneous surplus. If this varies by product the return shown must be based on the largest class. Entered as a percentage to 2 decimal points, e.g. 0.50%.
R0200/ C0030	WPBR assets – government bonds	Government bonds (CIC code 1) backing the with-profits benefits reserve R0010/C0030. For the purpose of R0200/C0030 - R0240/C0030 and R0260/C0030 - R0300/C0030 any investment fund assets (CIC code 4) should be allocated to the underlying asset type.
R0210/ C0030	WPBR assets – corporate bonds	Corporate bonds (CIC code 2) backing asset shares (R0010/C0030)
R0220/ C0030	WPBR assets – equity	Equity (CIC code 3) backing WPBR (R0010/C0030)
R0230/ C0030	WPBR assets – property	Property (CIC code 9) backing WPBR (R0010/C0030)
R0240/ C0030	WPBR assets - cash	Cash (CIC code 7) backing WPBR (R0010/C0030)
R0250/ C0030	Asset share assets – other	Calculated as WPBR (R0010/C0030) less assets in [R0200: R0240]/C0030
R0260/ C0030	FPRL assets – government bonds	Government bonds (CIC code 1) backing FPRL (R0060/C0030)
R0270/ C0030	FPRL assets – corporate bonds	Corporate bonds (CIC code 2) backing FPRL (R0150/C0030)
R0280/ C0030	FPRL assets – equity	Equity (CIC code 3) backing FPRL (R0150/C0030)
R0290/ C0030	FPRL assets – property	Property (CIC code 9) backing FPRL (R0150/C0030)
R0300/ C0030	FPRL asset – cash	Cash (CIC code 7) backing FPRL (R0150/C0030)
R0310/ C0030	FPRL assets - other	Calculated as FPRL (R0150/C0030) less assets in [R0260: R0300]/C0030