

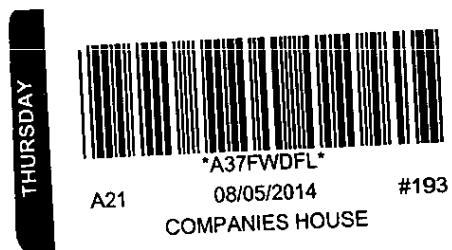
## **RGA Capital Limited**

### **Directors' report and financial statements**

31 December 2013

Incorporated in the United Kingdom and  
registered in England and Wales

Registered number 3095865



## **Directors' report and financial statements**

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## Strategic report for the year ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013. This strategic report is a new requirement under the Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2013.

### Principal activities and review of the business

The principal activity of RGA Capital Limited, the ("Company") is to act as a corporate member of Lloyd's and to participate in the Lloyd's insurance market through provision of underwriting capacity to Lloyd's Syndicate 429 ('Alder Life'), which is managed by Brit Syndicates Limited and which underwrites life insurance business. The Company commenced underwriting with effect from 1 January 1997 and ceased to participate for new business at the end of the 2001 underwriting year. The 2001 underwriting year closed via a reinsurance to close transaction to Syndicate 389, also managed by Brit Syndicates Limited, as at 31 December 2003. The Company is no longer an active Lloyd's participant and following the completion of the reinsurance to close transaction the Company has not and will not be undertaking any activity other than to satisfy the continuing requirements of Lloyd's for an inactive member.

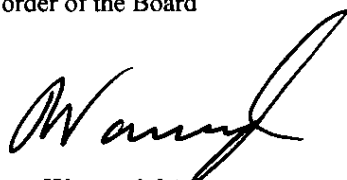
### Results for the year

The results for the year are set out on page 7. The result is a loss on ordinary activities after taxation for the year of £271 (2012: loss of £603).

### Financial risk management

RGA Capital is no longer an active participant in the Lloyd's market. Its sole remaining Lloyd's market financial risk is potential residual exposure from the reinsurance to close transactions should Syndicate 389 fail.

By order of the Board



**Simon Wainwright**  
*Managing Director*

30 April 2014

## **Directors' report for the year ended 31 December 2013**

The directors present their report, together with the financial statements and auditor's report of the Company, for the year ended 31 December 2013

### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements

### **Dividends**

The directors recommend that no dividend be paid in respect of the year to 31 December 2013 (2012: £nil)

### **Directors and directors' indemnity**

The directors and their status were as follows

P Nitsou	Non-Executive Director
S Wainwright	Managing Director
A G Woodring	Non-Executive Director

The Company provides and maintains third-party indemnity provisions for the benefit of its directors. These were made during the year and remain in force at the date of this report

### **Statement of disclosure of information to auditor**

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

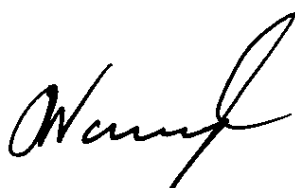
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

## **Directors' report** *(continued)*

### **Auditor**

In accordance with sections 487 of the Companies Act 2006, the Company's auditor, Deloitte LLP, will be deemed to be reappointed and therefore continue in office

By order of the Board

A handwritten signature in black ink, appearing to read 'Wainwright', written in a cursive style.

**Simon Wainwright**  
*Managing Director*

30 April 2014

## **Directors' responsibilities Statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report to the member of RGA Capital Limited**

We have audited the financial statements of RGA Capital Limited for the year ended 31 December 2013 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's 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 Company and the Company's member as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

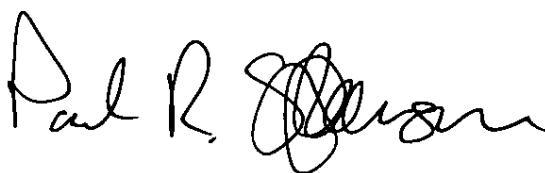
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the member of RGA Capital Limited** *(continued)*

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to 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 financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Paul Stephenson BA ACA** *(Senior Statutory Auditor)*  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
United Kingdom  
30 April 2014



## Income statement

for the year ended 31 December 2013

	Notes	2013 £	2012 £
<b>Profit and loss account: non-technical account</b>			
Balance on the general business technical account		-	-
Investment expenses and charges		(271)	(93)
Other income		-	-
Other charges		-	(510)
Operating loss on ordinary activities before tax	3	(271)	(603)
Tax on loss on ordinary activities	4	-	-
<b>Loss for the financial year</b>		<b>(271)</b>	<b>(603)</b>

There were no other recognised gains or losses in the year other than those included in the profit and loss account (2012 £nil) The results have all been derived from discontinued operations

The notes on pages 10 to 12 form part of these financial statements

**Statement of financial position***as at 31 December 2013*

	<i>Notes</i>	£	2013 £	£	2012 £
<b>Current assets</b>					
Debtors due within one year	6	-		42,957	
Cash at bank and in hand		20,726		5,182	
		<u>20,726</u>		<u>48,139</u>	
Creditors, amounts falling due within one year	7	(100)		(27,242)	
<b>Net current assets</b>			<b>20,626</b>		<b>20,897</b>
<b>Total assets less current liabilities</b>			<b>20,626</b>		<b>20,897</b>
<b>Capital and reserves</b>					
Called up share capital	8		255,352		255,352
Share premium account	9		255,350		255,350
Profit and loss account	9		(490,076)		(489,805)
<b>Equity shareholder's funds</b>			<b>20,626</b>		<b>20,897</b>

The notes on pages 10 to 12 form part of these financial statements

The financial statements of RGA Capital Limited (registered number 3095865) were approved by the board of directors and authorised for issue on 30 April 2014 and were signed on its behalf by



**Simon Wainwright**  
*Managing Director*

**Statement of changes in equity***for the year ended 31 December 2013*

	2013			2012	
	Share Capital	Share Premium	Profit and Loss	Shareholder's Funds	Shareholder's Funds
	£	£	£	£	£
Opening balance	255,352	255,350	(489,805)	20,897	21,500
Retained loss for the financial year	-	-	(271)	(271)	(603)
Closing Balance	<u>255,352</u>	<u>255,350</u>	<u>490,076</u>	<u>20,626</u>	<u>20,897</u>

The notes on pages 10 to 12 form part of these financial statements

## Notes to the accounts

*For the year ended 31 December 2013*

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently during the current and prior years in dealing with items which are considered material in relation to the Company's financial statements

#### *Going concern*

The financial statements are prepared on the going concern basis and this remains an appropriate assumption in light of the current wider economic and business environment conditions

The Directors' report within the sections 'Principal activities and business review' and 'Financial Risk management objectives' identify that the Company is no longer an active Lloyd's participant and following the completion of the reinsurance to close transaction the Company has not and will not be undertaking any activity other than to satisfy the continuing requirements of Lloyd's for an inactive member. The Company has net assets and expects to be able to meet these Lloyd's requirements for the foreseeable future

Neither the Company nor any members of the immediate parent group have any borrowings or hybrid forms of capital and thus no exposure to liquidity risk in relation to refinancing

#### *Basis of preparation*

The financial statements have been prepared in accordance with FRS 102. There were no material departures from that standard.

These financial statements for the year ended 31 December 2013 are the first financial statements that comply with FRS 102. The date of transition is 1 January 2013, but comparatives are shown on the same basis.

The financial statements have been prepared under the historical cost accounting rules.

The Company has adopted all material recommendations of the Statement of Recommended Practice on Accounting for Insurance Business issued in December 2005 (as amended in December 2006) by the Association of British Insurers, so far as applicable having regard to the nature of Lloyd's business.

The Company has taken advantage of exemptions provided under the requirements under Section 1 "Scope", not to prepare a cash flow statement as it is a wholly-owned subsidiary undertaking of Reinsurance Group of America, Incorporated which produces consolidated financial statements that are publicly available.

#### *Investment expenses and other charges*

Investment charges reported in the non-technical account relate to bank charges.

#### *Taxation*

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) and calculated by reference to tax rates and laws applicable for the period of account.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when crystallised based upon tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Notes to the accounts (continued)****2 Segmental analysis**

All transactions were undertaken in maintenance of the Company's status as a member of Lloyd's and were undertaken in the UK

**3 Loss on ordinary activities before taxation**

The cost of audit and other services for 2013 have been met by a sister company, RGA UK Services Limited. In 2013 these costs amounted to £500 (2012 £500). The company has no employees (2012 none)

**4 Taxation**

There is no tax liability in these accounts

**Factors affecting tax charge for the current period:**

	2013	2012
	£	£
Tax at 20% (2012 20%) on loss on ordinary activities	(54)	(121)
(Utilisation)/creation of tax losses	54	121
	<u>-</u>	<u>-</u>

Unrecognised deferred tax assets amount to £86,822 (2012 £86,768). The amount arises from cumulative unrelieved tax losses of £412,820 (2012 £412,549) that are not recognised as assets due to uncertainty as to their future recoverability.

**5 Remuneration of directors**

The emoluments of the directors during the year were £nil (2012 £nil). For the period since the beginning of 2005 the cost of the emoluments of directors common to all members of the RGA Holdings group were carried by other group members. Nil cost have been allocated to the Company reflecting that the Company is no longer active.

**6 Debtors due with one year**

	2013	2012
	£	£
Amounts owed by group undertakings	-	42,957
	<u>-</u>	<u>42,957</u>

**7 Creditors: amounts falling due within one year**

	2013	2012
	£	£
Amounts owed to group undertakings	100	27,242
	<u>100</u>	<u>27,242</u>

**Notes to the accounts (continued)****8 Called up equity share capital**

	2013	2012
	£	£
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	255,352	255,352
	<u>255,352</u>	<u>255,352</u>

**9 Reserves**

	Profit and loss account £	Share premium account £
At beginning of year	(489,805)	255,350
Loss for the year	(271)	-
At end of year	(490,076)	255,350
	<u>(490,076)</u>	<u>255,350</u>

**10 FRS 102 transition**

The adoption of FRS 102 has not impacted the financial position and financial performance of the Company. As a result, no reconciliations of its equity or profit and loss determined in accordance with its previous reporting framework to that determined in accordance with this FRS has been prepared.

**11 Related party disclosure**

The Company has taken advantage of the dispensation available under Financial Reporting Standard No. 8 Related Party Disclosures and accordingly, no disclosures are made of related party transactions between entities whose voting rights are 100% controlled within the group. There are no other transactions requiring disclosure.

**12 Parent company**

The Company has taken advantage of the dispensation available under Section 33, Related Party Disclosures and accordingly, no disclosures are made of related party transactions between entities whose voting rights are 100% controlled within the group. There are no other transactions requiring disclosure.

**13 Ultimate parent company and controlling party**

The Company's ultimate parent company and controlling party is Reinsurance Group of America, Incorporated, a company incorporated in the United States of America. Their registered office is at 1370 Timberlake Manor Parkway, Chesterfield, Missouri 630172-6039 USA. This is the parent of the largest group of which the Company is a member and which prepares consolidated financial statements in which the Company is included. Consolidated financial statements for Reinsurance Group of America, Incorporated, are available from the aforementioned address.