

# **Canada Life Limited**

**Annual FSA Insurance Returns for the year ended**

**31 December 2008**

**Appendices 9.1, 9.3, 9.4, 9.6**



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## Statement of solvency - long-term insurance business

Name of insurer Canada Life Limited

Global business

Financial year ended 31 December 2008

## Solo solvency calculation

	Company registration number	GL/UK/CM	day	month	year	Units
	R2	973271	GL	31	12	2008
			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	286882	451674
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	607640	613624
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	894521	1065298

## Guarantee fund

Guarantee fund requirement	21	198587	198699
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	695935	866599

## Minimum capital requirement (MCR)

Long-term insurance capital requirement	31	595760	596097
Resilience capital requirement	32	92800	125622
Base capital resources requirement	33	2518	2231
Individual minimum capital requirement	34	688560	721719
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	688560	721719
Excess (deficiency) of available capital resources to cover 50% of MCR	37	285657	426634
Excess (deficiency) of available capital resources to cover 75% of MCR	38	233517	366204

## Enhanced capital requirement

With-profits insurance capital component	39		
Enhanced capital requirement	40	688560	721719

## Capital resources requirement (CRR)

Capital resources requirement (greater of 36 and 40)	41	688560	721719
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	205961	343579

## 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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**Name of insurer** Canada Life Limited

**Global business**

**Financial year ended** 31 December 2008

.....  
I. Gilmour

General Manager,  
UK Division

.....  
H.C. Snow

Chief Financial Officer

.....  
J.E. Occleshaw

Executive Director

Potters Bar

## Components of capital resources

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

	Company registration number	GL/ UK/ CM	day month year			Units	
	R3	973271	GL	31	12	2008	£000
			<b>General insurance business</b>	<b>Long-term insurance business</b>	<b>Total as at the end of this financial year</b>	<b>Total as at the end of the previous year</b>	
			1	2	3	4	

## Core tier one capital

Permanent share capital	11		14250	14250	14250
Profit and loss account and other reserves	12		495308	495308	757169
Share premium account	13				
Positive valuation differences	14		84159	84159	
Fund for future appropriations	15		38721	38721	77493
Core tier one capital in related undertakings	16				
<b>Core tier one capital (sum of 11 to 16)</b>	<b>19</b>		<b>632437</b>	<b>632437</b>	<b>848912</b>

## 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				
<b>Total tier one waivers as restricted (21+22+23)</b>	<b>24</b>				

## 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		632437	632437	848912
Investments in own shares	32				
Intangible assets	33		2500	2500	5300
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				56120
Deductions in related undertakings	36				
<b>Deductions from tier one (32 to 36)</b>	<b>37</b>		<b>2500</b>	<b>2500</b>	<b>61420</b>
<b>Total tier one capital after deductions (31-37)</b>	<b>39</b>		<b>629937</b>	<b>629937</b>	<b>787492</b>

## Components of capital resources

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

	Company registration number	GL/ UK/ CM	day	month	year	Units
R3	973271	GL	31	12	2008	£000
		<b>General insurance business</b>			<b>Total as at the end of this financial year</b>	<b>Total as at the end of the previous year</b>
		1			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		120000	120000	120000
Upper tier two capital in related undertakings	47				
Upper tier two capital (44 to 47)	49		120000	120000	120000

Fixed term preference shares	51				
Other tier two instruments	52		210000	210000	210000
Lower tier two capital in related undertakings	53				
Lower tier two capital (51+52+53)	59		210000	210000	210000

Total tier two capital before restrictions (49+59)	61		330000	330000	330000
Excess tier two capital	62				
Further excess lower tier two capital	63				
Total tier two capital after restrictions, before deductions (61-62-63)	69		330000	330000	330000

## Components of capital resources

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

	Company registration number	GL/ UK/ CM	day	month	year	Units
R3	973271	GL	31	12	2008	£000
		<b>General insurance business</b>			<b>Total as at the end of this financial year</b>	<b>Total as at the end of the previous year</b>
		1			3	4

## Total capital resources

<b>Positive adjustments for regulated non-insurance related undertakings</b>	71					
Total capital resources before deductions (39+69+71)	72		959937	959937	1117492	
<b>Inadmissible assets other than intangibles and own shares</b>	73		64666	64666	49051	
<b>Assets in excess of market risk and counterparty limits</b>	74					
<b>Deductions for related ancillary services undertakings</b>	75		750	750	3144	
<b>Deductions for regulated non-insurance related undertakings</b>	76					
<b>Deductions of ineligible surplus capital</b>	77					
Total capital resources after deductions (72-73-74-75-76-77)	79		894521	894521	1065297	

## Av available capital resources for GENPRU/INSPRU tests

<b>Available capital resources for guarantee fund requirement</b>	81		894521	894521	1065298	
<b>Available capital resources for 50% MCR requirement</b>	82		629937	629937	787493	
<b>Available capital resources for 75% MCR requirement</b>	83		749937	749937	907493	

## Financial engineering adjustments

<b>Implicit items</b>	91					
<b>Financial reinsurance - ceded</b>	92		22704	22704	37519	
<b>Financial reinsurance - accepted</b>	93					
<b>Outstanding contingent loans</b>	94					
<b>Any other charges on future profits</b>	95					
<b>Sum of financial engineering adjustments (91+92-93+94+95)</b>	96		22704	22704	37519	

Calculation of general insurance capital requirement - premiums amount and brought forward amount

**Name of insurer** Canada Life Limited**Global business****Financial year ended** 31 December 2008**Long term insurance business**

	Company registration number	GL/UK/CM	day	month	year	Units	
	R11	973271	GL	31	12	2008	£000
						<b>This financial year</b> 1	<b>Previous year</b> 2
<b>Gross premiums written</b>			11			154863	145756
<b>Premiums taxes and levies (included in line 11)</b>			12				
<b>Premiums written net of taxes and levies (11-12)</b>			13			154863	145756
<b>Premiums for classes 11, 12 or 13 (included in line 13)</b>			14				
<b>Premiums for "actuarial health insurance" (included in line 13)</b>			15			142602	132393
Sub-total A (13 + 1/2 14 - 2/3 15)			16			59795	57494
<b>Gross premiums earned</b>			21			151200	141638
<b>Premium taxes and levies (included in line 21)</b>			22				
<b>Premiums earned net of taxes and levies (21-22)</b>			23			151200	141638
<b>Premiums for classes 11, 12 or 13 (included in line 23)</b>			24				
<b>Premiums for "actuarial health insurance" (included in line 23)</b>			25			138940	128275
Sub-total H (23 + 1/2 24 - 2/3 25)			26			58573	56121
Sub-total I (higher of sub-total A and sub-total H)			30			59795	57494
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure			31				
<b>Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)</b>	x 0.18		32			10763	10349
	Excess (if any) over 53.1M EURO x 0.02		33			360	409
Sub-total J (32-33)			34			10403	9940
<b>Claims paid in period of 3 financial years</b>			41			223028	219470
<b>Claims outstanding carried forward at the end of the 3 year period</b>	<b>For insurance business accounted for on an underwriting year basis</b>		42				
	<b>For insurance business accounted for on an accident year basis</b>		43			560951	602176
<b>Claims outstanding brought forward at the beginning of the 3 year period</b>	<b>For insurance business accounted for on an underwriting year basis</b>		44				
	<b>For insurance business accounted for on an accident year basis</b>		45			610259	573566
Sub-total C (41+42+43-44-45)			46			173720	248080
<b>Amounts recoverable from reinsurers in respect of claims included in Sub-total C</b>			47			4899	32817
Sub-total D (46-47)			48			168821	215263
Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.50 or, if less, 1.00)			49			0.97	0.87
Premiums amount (Sub-total J x reinsurance ratio)			50			10110	8625
<b>Provision for claims outstanding (before discounting and net of reinsurance)</b>			51			430604	448719
<b>Provision for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero</b>			52				
Brought forward amount (See instruction 4)			53			8277	7130
<b>Greater of lines 50 and 53</b>			54			10110	8625

Calculation of general insurance capital requirement - claims amount and result

**Name of insurer** Canada Life Limited

**Global business**

**Financial year end** 31 December 2008

**Long term insurance business**

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	973271	GL	31	12	2008	£000
				<b>This financial year</b>			<b>Previous year</b>	
				1			2	
<b>Reference period (No. of months) See INSPRU 1.1.63R</b>		11		<b>36</b>			<b>36</b>	
<b>Claims paid in reference period</b>		21		<b>223028</b>			<b>219470</b>	
<b>Claims outstanding carried forward at the end of the reference period</b>	<b>For insurance business accounted for on an underwriting year basis</b>	22						
	<b>For insurance business accounted for on an accident year basis</b>	23		<b>560951</b>			<b>602176</b>	
<b>Claims outstanding brought forward at the beginning of the reference period</b>	<b>For insurance business accounted for on an underwriting year basis</b>	24						
	<b>For insurance business accounted for on an accident year basis</b>	25		<b>610259</b>			<b>573566</b>	
<b>Claims incurred in reference period (21+22+23-24-25)</b>		26		<b>173720</b>			<b>248080</b>	
<b>Claims incurred for classes 11, 12 or 13 (included in 26)</b>		27						
<b>Claims incurred for "actuarial health insurance" (included in 26)</b>		28		<b>164145</b>			<b>235759</b>	
Sub-total E (26 +1/2 27 - 2/3 28)		29		<b>64290</b>			<b>90907</b>	
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)		31		<b>21430</b>			<b>30302</b>	
<b>Division of sub-total F (gross adjusted claims amount)</b>	<b>x 0.26</b>	32		<b>5572</b>			<b>7879</b>	
	<b>Excess (if any) over 37.2M EURO x 0.03</b>	33					<b>131</b>	
Sub-total G (32-33)		39		<b>5572</b>			<b>7748</b>	
Claims amount Sub-total G x reinsurance ratio (11.49)		41		<b>5415</b>			<b>6723</b>	
<b>Higher of premiums amount and brought forward amount (11.54)</b>		42		<b>10110</b>			<b>8625</b>	
General insurance capital requirement (higher of lines 41 and 42)		43		<b>10110</b>			<b>8625</b>	

## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

Category of assets Total other than long term insurance business assets

R13	Company registration number	GL/UK/CM	day month year			Units	Category of assets
	973271	GL	31	12	2008	£000	1
						As at end of this financial year	As at end of the previous year
						1	2
<b>Land and buildings</b>			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	3075	6077	
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43	61660	83507	
Rights under derivative contracts	44			
Fixed interest securities	Approved	45	151707	133518
	Other	46	83124	152019
Variable interest securities	Approved	47	8374	8478
	Other	48	22693	2625
Participation in investment pools	49			
Loans secured by mortgages	50	65702		
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	55349	87367
	More than one month withdrawal	55	71973	74095
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58		
	Property linked	59		

## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 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	973271	GL	31	12	2008	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

## Reinsurers' share of technical provisions

<b>Provision for unearned premiums</b>	60		
<b>Claims outstanding</b>	61		
<b>Provision for unexpired risks</b>	62		
<b>Other</b>	63		

## Debtors and salvage

<b>Direct insurance business</b>	<b>Policyholders</b>	71		
	<b>Intermediaries</b>	72		
<b>Salvage and subrogation recoveries</b>		73		
<b>Reinsurance</b>	<b>Accepted</b>	74		
	<b>Ceded</b>	75		
<b>Dependants</b>	<b>due in 12 months or less</b>	76		
	<b>due in more than 12 months</b>	77		
<b>Other</b>	<b>due in 12 months or less</b>	78		
	<b>due in more than 12 months</b>	79		

## Other assets

<b>Tangible assets</b>	80		
<b>Deposits not subject to time restriction on withdrawal with approved institutions</b>	81	1	8
<b>Cash in hand</b>	82		
<b>Other assets (particulars to be specified by way of supplementary note)</b>	83	78293	202430
<b>Accrued interest and rent</b>	84	5691	5382
<b>Deferred acquisition costs (general business only)</b>	85		
<b>Other prepayments and accrued income</b>	86		
<b>Deductions from the aggregate value of assets</b>	87		
<b>Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)</b>	89	607640	755508

## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 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	973271	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

<b>Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)</b>	91	607640	755508
<b>Admissible assets in excess of market and counterparty limits</b>	92		
<b>Inadmissible assets directly held</b>	93	2500	5300
<b>Capital resources requirement deduction of regulated related undertakings</b>	94		
<b>Ineligible surplus capital and restricted assets in regulated related insurance undertakings</b>	95		
<b>Inadmissible assets of regulated related undertakings</b>	96		
<b>Book value of related ancillary services undertakings</b>	97		
<b>Other differences in the valuation of assets (other than for assets not valued above)</b>	98		
<b>Deferred acquisition costs excluded from line 89</b>	99		
<b>Reinsurers' share of technical provisions excluded from line 89</b>	100		
<b>Other asset adjustments (may be negative)</b>	101	(75000)	(200000)
<b>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)</b>	102	535140	560808
<b>Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance</b>	103		

## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

Category of assets Total long term insurance business assets

Company registration number	GL/UK/CM	day month year			Units	Category of assets	
		day	month	year			
R13	973271	GL	31	12	2008	£000	10
					As at end of this financial year	As at end of the previous year	
					1	2	
<b>Land and buildings</b>			11			<b>906397</b>	<b>768005</b>

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	122717	123725
	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	72894	138440
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	62949	68397
Rights under derivative contracts		44	72033	25944
Fixed interest securities	Approved	45	2746748	2417979
	Other	46	5550044	5990795
Variable interest securities	Approved	47	116103	148239
	Other	48	159792	341496
Participation in investment pools		49		
Loans secured by mortgages		50	1405035	1075101
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52	10636	11453
Other loans		53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	229571	365580
	More than one month withdrawal	55	254907	275190
Other financial investments		56		
Deposits with ceding undertakings		57		
Assets held to match linked liabilities	Index linked	58	1106219	1137200
	Property linked	59	3672084	4506831

## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 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	973271	GL	31	12	2008	£000	10
					As at end of this financial year	As at end of the previous year	
					1	2	

## Reinsurers' share of technical provisions

<b>Provision for unearned premiums</b>	60		
<b>Claims outstanding</b>	61		
<b>Provision for unexpired risks</b>	62		
<b>Other</b>	63		

## Debtors and salvage

<b>Direct insurance business</b>	<b>Policyholders</b>	71	18560	20186
	<b>Intermediaries</b>	72		
<b>Salvage and subrogation recoveries</b>		73		
<b>Reinsurance</b>	<b>Accepted</b>	74		
	<b>Ceded</b>	75	25775	41515
<b>Dependants</b>	<b>due in 12 months or less</b>	76		
	<b>due in more than 12 months</b>	77		
<b>Other</b>	<b>due in 12 months or less</b>	78		
	<b>due in more than 12 months</b>	79		

## Other assets

<b>Tangible assets</b>	80	423	620
<b>Deposits not subject to time restriction on withdrawal with approved institutions</b>	81	60157	75680
<b>Cash in hand</b>	82		
<b>Other assets (particulars to be specified by way of supplementary note)</b>	83	14226	6710
<b>Accrued interest and rent</b>	84	199556	184710
<b>Deferred acquisition costs (general business only)</b>	85		
<b>Other prepayments and accrued income</b>	86	15982	15738
<b>Deductions from the aggregate value of assets</b>	87		
<b>Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)</b>	89	16822809	17739533

## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 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	973271	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

<b>Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)</b>	91	16822809	17739533
<b>Admissible assets in excess of market and counterparty limits</b>	92		
<b>Inadmissible assets directly held</b>	93	3203	1227
<b>Capital resources requirement deduction of regulated related undertakings</b>	94		
<b>Ineligible surplus capital and restricted assets in regulated related insurance undertakings</b>	95		
<b>Inadmissible assets of regulated related undertakings</b>	96		
<b>Book value of related ancillary services undertakings</b>	97	750	3144
<b>Other differences in the valuation of assets (other than for assets not valued above)</b>	98	(14623)	12946
<b>Deferred acquisition costs excluded from line 89</b>	99	134137	103241
<b>Reinsurers' share of technical provisions excluded from line 89</b>	100	1836522	1547973
<b>Other asset adjustments (may be negative)</b>	101	5276	
<b>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)</b>	102	18788074	19408065
<b>Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance</b>	103		

## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

Category of assets Non-Profit Fund

R13	Company registration number	GL/UK/CM	day month year			Units	Category of assets
	973271	GL	31	12	2008	£000	11
						As at end of this financial year	As at end of the previous year
						1	2
<b>Land and buildings</b>			11			<b>906397</b>	<b>768005</b>

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	122717	123725
	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	19577	18969	
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43	25349	23242	
Rights under derivative contracts	44	72033	25944	
Fixed interest securities	Approved	45	2542725	2209960
	Other	46	5509708	5940851
Variable interest securities	Approved	47	103382	135689
	Other	48	156476	337288
Participation in investment pools	49			
Loans secured by mortgages	50	1394506	1064088	
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52	1709	1723	
Other loans	53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	217789	348883
	More than one month withdrawal	55	240783	262621
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58	1106219	1137200
	Property linked	59	3672084	4506831

## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

Category of assets Non-Profit Fund

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	973271	GL	31	12	2008	£000	11
					As at end of this financial year	As at end of the previous year	
					1	2	

## Reinsurers' share of technical provisions

<b>Provision for unearned premiums</b>	60		
<b>Claims outstanding</b>	61		
<b>Provision for unexpired risks</b>	62		
<b>Other</b>	63		

## Debtors and salvage

<b>Direct insurance business</b>	<b>Policyholders</b>	71	18560	20186
	<b>Intermediaries</b>	72		
<b>Salvage and subrogation recoveries</b>		73		
<b>Reinsurance</b>	<b>Accepted</b>	74		
	<b>Ceded</b>	75	25775	41515
<b>Dependants</b>	<b>due in 12 months or less</b>	76		
	<b>due in more than 12 months</b>	77		
<b>Other</b>	<b>due in 12 months or less</b>	78		
	<b>due in more than 12 months</b>	79		

## Other assets

<b>Tangible assets</b>	80	423	620
<b>Deposits not subject to time restriction on withdrawal with approved institutions</b>	81	59725	75680
<b>Cash in hand</b>	82		
<b>Other assets (particulars to be specified by way of supplementary note)</b>	83	14226	5500
<b>Accrued interest and rent</b>	84	195841	180687
<b>Deferred acquisition costs (general business only)</b>	85		
<b>Other prepayments and accrued income</b>	86	15982	15738
<b>Deductions from the aggregate value of assets</b>	87		
<b>Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)</b>	89	16421988	17244945

## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

Category of assets Non-Profit Fund

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	973271	GL	31	12	2008	£000	11
					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

<b>Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)</b>	91	16421988	17244945
<b>Admissible assets in excess of market and counterparty limits</b>	92		
<b>Inadmissible assets directly held</b>	93	3203	1227
<b>Capital resources requirement deduction of regulated related undertakings</b>	94		
<b>Ineligible surplus capital and restricted assets in regulated related insurance undertakings</b>	95		
<b>Inadmissible assets of regulated related undertakings</b>	96		
<b>Book value of related ancillary services undertakings</b>	97	750	3144
<b>Other differences in the valuation of assets (other than for assets not valued above)</b>	98	(14623)	12946
<b>Deferred acquisition costs excluded from line 89</b>	99	131167	99657
<b>Reinsurers' share of technical provisions excluded from line 89</b>	100	1836522	1547973
<b>Other asset adjustments (may be negative)</b>	101	11780	
<b>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)</b>	102	18390786	18909893

<b>Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance</b>	103		
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## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

Category of assets With-Profits Fund

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
	R13	973271	GL	31	12	2008	£000
						As at end of this financial year	As at end of the previous year
						1	2
<b>Land and buildings</b>						11	

Investments in group undertakings and participating interests

<b>UK insurance dependants</b>	<b>Shares</b>	21		
	<b>Debts and loans</b>	22		
<b>Other insurance dependants</b>	<b>Shares</b>	23		
	<b>Debts and loans</b>	24		
<b>Non-insurance dependants</b>	<b>Shares</b>	25		
	<b>Debts and loans</b>	26		
<b>Other group undertakings</b>	<b>Shares</b>	27		
	<b>Debts and loans</b>	28		
<b>Participating interests</b>	<b>Shares</b>	29		
	<b>Debts and loans</b>	30		

Other financial investments

<b>Equity shares</b>	41	26868	64128	
<b>Other shares and other variable yield participations</b>	42			
<b>Holdings in collective investment schemes</b>	43	16449	19754	
<b>Rights under derivative contracts</b>	44			
<b>Fixed interest securities</b>	<b>Approved</b>	45	60364	62271
	<b>Other</b>	46	9552	12030
<b>Variable interest securities</b>	<b>Approved</b>	47		
	<b>Other</b>	48		
<b>Participation in investment pools</b>	49			
<b>Loans secured by mortgages</b>	50			
<b>Loans to public or local authorities and nationalised industries or undertakings</b>	51			
<b>Loans secured by policies of insurance issued by the company</b>	52	2092	2593	
<b>Other loans</b>	53			
<b>Bank and approved credit &amp; financial institution deposits</b>	<b>One month or less withdrawal</b>	54	2157	5092
	<b>More than one month withdrawal</b>	55	3029	3833
<b>Other financial investments</b>	56			
<b>Deposits with ceding undertakings</b>	57			
<b>Assets held to match linked liabilities</b>	<b>Index linked</b>	58		
	<b>Property linked</b>	59		

## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

Category of assets With-Profits Fund

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	973271	GL	31	12	2008	£000	13
					As at end of this financial year	As at end of the previous year	
					1	2	

## Reinsurers' share of technical provisions

<b>Provision for unearned premiums</b>	60		
<b>Claims outstanding</b>	61		
<b>Provision for unexpired risks</b>	62		
<b>Other</b>	63		

## Debtors and salvage

<b>Direct insurance business</b>	<b>Policyholders</b>	71	0
	<b>Intermediaries</b>	72	
<b>Salvage and subrogation recoveries</b>		73	
<b>Reinsurance</b>	<b>Accepted</b>	74	
	<b>Ceded</b>	75	
<b>Dependants</b>	<b>due in 12 months or less</b>	76	
	<b>due in more than 12 months</b>	77	
<b>Other</b>	<b>due in 12 months or less</b>	78	
	<b>due in more than 12 months</b>	79	

## Other assets

<b>Tangible assets</b>	80		
<b>Deposits not subject to time restriction on withdrawal with approved institutions</b>	81	432	
<b>Cash in hand</b>	82		
<b>Other assets (particulars to be specified by way of supplementary note)</b>	83		
<b>Accrued interest and rent</b>	84	1030	1153
<b>Deferred acquisition costs (general business only)</b>	85		
<b>Other prepayments and accrued income</b>	86		
<b>Deductions from the aggregate value of assets</b>	87		
<b>Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)</b>	89	121972	170853

## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

Category of assets With-Profits Fund

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	973271	GL	31	12	2008	£000	13
					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

<b>Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)</b>	91	121972	170853
<b>Admissible assets in excess of market and counterparty limits</b>	92		
<b>Inadmissible assets directly held</b>	93		
<b>Capital resources requirement deduction of regulated related undertakings</b>	94		
<b>Ineligible surplus capital and restricted assets in regulated related insurance undertakings</b>	95		
<b>Inadmissible assets of regulated related undertakings</b>	96		
<b>Book value of related ancillary services undertakings</b>	97		
<b>Other differences in the valuation of assets (other than for assets not valued above)</b>	98		
<b>Deferred acquisition costs excluded from line 89</b>	99	2970	3584
<b>Reinsurers' share of technical provisions excluded from line 89</b>	100		
<b>Other asset adjustments (may be negative)</b>	101	(3270)	
<b>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)</b>	102	121672	174437
<b>Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance</b>	103		

## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

Category of assets Manulife Fund

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	973271	GL	31	12	2008	£000	14
					As at end of this financial year	As at end of the previous year	
					1	2	
<b>Land and buildings</b>			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	26449	55343	
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43	21151	25401	
Rights under derivative contracts	44			
Fixed interest securities	Approved	45	143659	145748
	Other	46	30784	37914
Variable interest securities	Approved	47	12721	12550
	Other	48	3315	4208
Participation in investment pools	49			
Loans secured by mortgages	50	10529	11013	
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52	6835	7137	
Other loans	53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	9625	11605
	More than one month withdrawal	55	11095	8736
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58		
	Property linked	59		

## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

Category of assets Manulife Fund

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	973271	GL	31	12	2008	£000	14
					As at end of this financial year	As at end of the previous year	
					1	2	

## 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	0
	Intermediaries	72	
Salvage and subrogation recoveries		73	
Reinsurance	Accepted	74	
	Ceded	75	
Dependants	due in 12 months or less	76	
	due in more than 12 months	77	
Other	due in 12 months or less	78	
	due in more than 12 months	79	

## Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	0	
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		1210
Accrued interest and rent	84	2685	2870
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		
Deductions from the aggregate value of assets	87		
Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	278850	323735

## Analysis of admissible assets

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

Category of assets Manulife Fund

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	973271	GL	31	12	2008	£000	14
					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

<b>Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)</b>	91	278850	323735
<b>Admissible assets in excess of market and counterparty limits</b>	92		
<b>Inadmissible assets directly held</b>	93		
<b>Capital resources requirement deduction of regulated related undertakings</b>	94		
<b>Ineligible surplus capital and restricted assets in regulated related insurance undertakings</b>	95		
<b>Inadmissible assets of regulated related undertakings</b>	96		
<b>Book value of related ancillary services undertakings</b>	97		
<b>Other differences in the valuation of assets (other than for assets not valued above)</b>	98		
<b>Deferred acquisition costs excluded from line 89</b>	99		
<b>Reinsurers' share of technical provisions excluded from line 89</b>	100		
<b>Other asset adjustments (may be negative)</b>	101	(3234)	
<b>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)</b>	102	275616	323735

<b>Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance</b>	103		
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## Long term insurance business liabilities and margins

**Name of insurer** Canada Life Limited  
**Global business**  
**Financial year ended** 31 December 2008  
**Total business/Sub fund** 10 Summary  
**Units** £000

As at end of this financial year 1	As at end of the previous year 2
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<b>Mathematical reserves, after distribution of surplus</b>	11	14415961	15351803	
<b>Cash bonuses which had not been paid to policyholders prior to end of the financial year</b>	12	120	133	
<b>Balance of surplus/(valuation deficit)</b>	13	161815	161607	
<b>Long term insurance business fund carried forward (11 to 13)</b>	14	14577895	15513543	
<b>Claims outstanding</b>	<b>Gross</b>	15	87364	88925
	<b>Reinsurers' share</b>	16		
	<b>Net (15-16)</b>	17	87364	88925
<b>Provisions</b>	<b>Taxation</b>	21	0	8116
	<b>Other risks and charges</b>	22	4443	4334
<b>Deposits received from reinsurers</b>	23	1684133	1393800	
<b>Creditors</b>	<b>Direct insurance business</b>	31	32097	24990
	<b>Reinsurance accepted</b>	32		
	<b>Reinsurance ceded</b>	33		
<b>Debenture loans</b>	<b>Secured</b>	34		
	<b>Unsecured</b>	35		
<b>Amounts owed to credit institutions</b>	36			
<b>Creditors</b>	<b>Taxation</b>	37	6480	56800
	<b>Other</b>	38	296457	358110
<b>Accruals and deferred income</b>	39	8874	848	
<b>Provision for "reasonably foreseeable adverse variations"</b>	41			
<b>Total other insurance and non-insurance liabilities (17 to 41)</b>	49	2119847	1935924	
<b>Excess of the value of net admissible assets</b>	51	125067	290067	
<b>Total liabilities and margins</b>	59	16822809	17739533	

<b>Amounts included in line 59 attributable to liabilities to related companies other than those under contracts of insurance or reinsurance</b>	61		
<b>Amounts included in line 59 attributable to liabilities in respect of property linked benefits</b>	62	3669917	4498871

<b>Total liabilities (11+12+49)</b>	71	16535927	17287860
<b>Increase to liabilities - DAC related</b>	72	25935	19378
<b>Reinsurers' share of technical provisions</b>	73	1836522	1547973
<b>Other adjustments to liabilities (may be negative)</b>	74	46551	(85134)
<b>Capital and reserves and fund for future appropriations</b>	75	343139	637989
<b>Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)</b>	76	18788074	19408065

## Long term insurance business liabilities and margins

**Name of insurer** Canada Life Limited  
**Global business**  
**Financial year ended** 31 December 2008  
**Total business/Sub fund** 21 With-Profits Fund  
**Units** £000

As at end of this financial year 1	As at end of the previous year 2
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<b>Mathematical reserves, after distribution of surplus</b>	11	<b>98290</b>	<b>129778</b>
<b>Cash bonuses which had not been paid to policyholders prior to end of the financial year</b>	12		
<b>Balance of surplus/(valuation deficit)</b>	13	<b>11801</b>	<b>11755</b>
<b>Long term insurance business fund carried forward (11 to 13)</b>	14	<b>110090</b>	<b>141533</b>
<b>Claims outstanding</b>	<b>Gross</b>	15	<b>2228</b>
	<b>Reinsurers' share</b>	16	
	<b>Net (15-16)</b>	17	<b>2228</b>
<b>Provisions</b>	<b>Taxation</b>	21	
	<b>Other risks and charges</b>	22	
<b>Deposits received from reinsurers</b>	23		
<b>Creditors</b>	<b>Direct insurance business</b>	31	<b>1</b>
	<b>Reinsurance accepted</b>	32	
	<b>Reinsurance ceded</b>	33	
<b>Debenture loans</b>	<b>Secured</b>	34	
	<b>Unsecured</b>	35	
<b>Amounts owed to credit institutions</b>	36		
<b>Creditors</b>	<b>Taxation</b>	37	<b>3234</b>
	<b>Other</b>	38	<b>1219</b>
<b>Accruals and deferred income</b>	39	<b>(0)</b>	
<b>Provision for "reasonably foreseeable adverse variations"</b>	41		
<b>Total other insurance and non-insurance liabilities (17 to 41)</b>	49	<b>6681</b>	<b>6120</b>
<b>Excess of the value of net admissible assets</b>	51	<b>5200</b>	<b>23200</b>
<b>Total liabilities and margins</b>	59	<b>121972</b>	<b>170853</b>

<b>Amounts included in line 59 attributable to liabilities to related companies other than those under contracts of insurance or reinsurance</b>	61		
<b>Amounts included in line 59 attributable to liabilities in respect of property linked benefits</b>	62		

<b>Total liabilities (11+12+49)</b>	71	<b>104971</b>	<b>135898</b>
<b>Increase to liabilities - DAC related</b>	72		
<b>Reinsurers' share of technical provisions</b>	73		
<b>Other adjustments to liabilities (may be negative)</b>	74		
<b>Capital and reserves and fund for future appropriations</b>	75		
<b>Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)</b>	76		

## Long term insurance business liabilities and margins

**Name of insurer** Canada Life Limited  
**Global business**  
**Financial year ended** 31 December 2008  
**Total business/Sub fund** 22 Manulife Fund  
**Units** £000

As at end of this financial year 1	As at end of the previous year 2
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<b>Mathematical reserves, after distribution of surplus</b>	11	<b>235237</b>	<b>258799</b>
<b>Cash bonuses which had not been paid to policyholders prior to end of the financial year</b>	12	<b>120</b>	<b>133</b>
<b>Balance of surplus/(valuation deficit)</b>	13	<b>12843</b>	<b>12671</b>
<b>Long term insurance business fund carried forward (11 to 13)</b>	14	<b>248200</b>	<b>271603</b>
<b>Claims outstanding</b>	<b>Gross</b>	<b>4487</b>	<b>3696</b>
	<b>Reinsurers' share</b>		
	<b>Net (15-16)</b>	<b>4487</b>	<b>3696</b>
<b>Provisions</b>	<b>Taxation</b>		
	<b>Other risks and charges</b>		
<b>Deposits received from reinsurers</b>	23		
<b>Creditors</b>	<b>Direct insurance business</b>	<b>15854</b>	<b>16669</b>
	<b>Reinsurance accepted</b>		
	<b>Reinsurance ceded</b>		
<b>Debenture loans</b>	<b>Secured</b>		
	<b>Unsecured</b>		
<b>Amounts owed to credit institutions</b>	36		
<b>Creditors</b>	<b>Taxation</b>	<b>3273</b>	<b>4018</b>
	<b>Other</b>	<b>536</b>	<b>749</b>
<b>Accruals and deferred income</b>	39		
<b>Provision for "reasonably foreseeable adverse variations"</b>	41		
<b>Total other insurance and non-insurance liabilities (17 to 41)</b>	49	<b>24149</b>	<b>25132</b>
<b>Excess of the value of net admissible assets</b>	51	<b>6501</b>	<b>27001</b>
<b>Total liabilities and margins</b>	59	<b>278850</b>	<b>323735</b>

<b>Amounts included in line 59 attributable to liabilities to related companies other than those under contracts of insurance or reinsurance</b>	61		
<b>Amounts included in line 59 attributable to liabilities in respect of property linked benefits</b>	62		

<b>Total liabilities (11+12+49)</b>	71	<b>259506</b>	<b>284064</b>
<b>Increase to liabilities - DAC related</b>	72		
<b>Reinsurers' share of technical provisions</b>	73		
<b>Other adjustments to liabilities (may be negative)</b>	74		
<b>Capital and reserves and fund for future appropriations</b>	75		
<b>Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)</b>	76		

## Long term insurance business liabilities and margins

**Name of insurer** Canada Life Limited  
**Global business**  
**Financial year ended** 31 December 2008  
**Total business/Sub fund** 31 Non-Profit Fund  
**Units** £000

As at end of this financial year 1	As at end of the previous year 2
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<b>Mathematical reserves, after distribution of surplus</b>	11	14082434	14963226	
<b>Cash bonuses which had not been paid to policyholders prior to end of the financial year</b>	12			
<b>Balance of surplus/(valuation deficit)</b>	13	137171	137181	
<b>Long term insurance business fund carried forward (11 to 13)</b>	14	14219605	15100407	
<b>Claims outstanding</b>	<b>Gross</b>	15	80650	82290
	<b>Reinsurers' share</b>	16		
	<b>Net (15-16)</b>	17	80650	82290
<b>Provisions</b>	<b>Taxation</b>	21	0	8116
	<b>Other risks and charges</b>	22	4443	4334
<b>Deposits received from reinsurers</b>	23	1684133	1393800	
<b>Creditors</b>	<b>Direct insurance business</b>	31	16242	8321
	<b>Reinsurance accepted</b>	32		
	<b>Reinsurance ceded</b>	33		
<b>Debenture loans</b>	<b>Secured</b>	34		
	<b>Unsecured</b>	35		
<b>Amounts owed to credit institutions</b>	36			
<b>Creditors</b>	<b>Taxation</b>	37	(27)	49951
	<b>Other</b>	38	294702	357011
<b>Accruals and deferred income</b>	39	8874	848	
<b>Provision for "reasonably foreseeable adverse variations"</b>	41			
<b>Total other insurance and non-insurance liabilities (17 to 41)</b>	49	2089017	1904672	
<b>Excess of the value of net admissible assets</b>	51	113366	239866	
<b>Total liabilities and margins</b>	59	16421988	17244945	

<b>Amounts included in line 59 attributable to liabilities to related companies other than those under contracts of insurance or reinsurance</b>	61		
<b>Amounts included in line 59 attributable to liabilities in respect of property linked benefits</b>	62	3669917	4498871

<b>Total liabilities (11+12+49)</b>	71	16171451	16867898
<b>Increase to liabilities - DAC related</b>	72		
<b>Reinsurers' share of technical provisions</b>	73		
<b>Other adjustments to liabilities (may be negative)</b>	74		
<b>Capital and reserves and fund for future appropriations</b>	75		
<b>Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)</b>	76		

Liabilities (other than long term insurance business)

Name of insurer Canada Life Limited

Global business

Financial year ended 31 December 2008

Company registration number	GL/UK/CM	day	month	year	Units	
R15	973271	GL	31	12	2008	£000
				As at end of this financial year	As at end of the previous year	
				1	2	

Technical provisions (gross amount)

Provisions 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		
<b>Total gross technical provisions (11 to 16)</b>	<b>19</b>		

Provisions and creditors

Provisions	Taxation	21		5693
	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	(0)	706
	Foreseeable dividend	48		122000
	Other	49		13485
Accruals and deferred income	51			
<b>Total (19 to 51)</b>	<b>59</b>	<b>(0)</b>		<b>141884</b>
Provision for "reasonably foreseeable adverse variations"	61			
Cumulative preference share capital	62			
Subordinated loan capital	63		330000	330000
<b>Total (59 to 63)</b>	<b>69</b>		<b>330000</b>	<b>471884</b>

Amounts included in line 69 attributable to liabilities to related insurers than those under contracts of insurance or reinsurance	71			
--	----	--	--	--

Amounts deducted from technical provisions for discounting	82			
Other adjustments (may be negative)	83			(122000)
Capital and reserves	84		205140	210924
<b>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)</b>	<b>85</b>		<b>535140</b>	<b>560808</b>

Profit and loss account (non-technical account)

Name of insurer Canada Life Limited

Global business

Financial year ended 31 December 2008

Company  
registration  
numberGL/  
UK/  
CM

day month year

Units

		R16	973271	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			75000	200000
Investment income	Income			14			28581	29106
	Value re-adjustments on investments			15			14332	4622
	Gains on the realisation of investments			16			5877	3
Investment charges	Investment management charges, including interest			17			22648	22082
	Value re-adjustments on investments			18			41854	11543
	Loss on the realisation of investments			19			37	5
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				
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)				29			59251	200101
Tax on profit or loss on ordinary activities				31			(6565)	(2740)
Profit or loss on ordinary activities after tax (29-31)				39			65816	202841
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			65816	202841
Dividends (paid or foreseeable)				51			71800	160600
Profit or loss retained for the financial year (49-51)				59			(5984)	42241

Analysis of derivative contracts

Name of insurer Canada Life Limited

Global busines

Financial year ended 31 December 2008

Category of assets Total long term insurance business assets

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets	
		R17	973271	GL	31	12	2008	£000	10
Derivative contracts						Value as at the end of this financial year		Notional amount as at the end of this financial year	
				Assets	Liabilities	Bought / Long	Sold / Short		
				1	2	3	4		
Futures and contracts for differences	Fixed-interest securities	11							
	Interest rates	12	41730				369765		
	Inflation	13							
	Credit index / basket	14							
	Credit single name	15							
	Equity index	16							
	Equity stock	17							
	Land	18							
	Currencies	19			104344				315723
	Mortality	20							
	Other	21							
In the money options	Swaptions	31							
	Equity index calls	32							
	Equity stock calls	33							
	Equity index puts	34							
	Equity stock puts	35							
	Other	36							
Out of the money options	Swaptions	41	30303				172260		
	Equity index calls	42							
	Equity stock calls	43							
	Equity index puts	44							
	Equity stock puts	45							
	Other	46							
<b>Total (11 to 46)</b>		51	72033		104344		542025		315723
Adjustment for variation margin		52							
<b>Total (51 + 52)</b>		53	72033		104344				

THE NOTIONAL AMOUNTS IN COLUMNS 3 AND 4 ARE NOT A MEASURE OF EXPOSURE.  
Please see instructions 11 and 12 to this Form for the meaning of these figures.

## Analysis of derivative contracts

Name of insurer Canada Life Limited

## Global business

Financial year ended 31 December 2008

Category of assets Non-Profit Fund

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	973271	GL	31	12	2008	£000	11
Derivative contracts		Value as at the end of this financial year				Notional amount as at the end of this financial year			
		Assets		Liabilities		Bought / Long		Sold / Short	
		1	2	3	4				
Futures and contracts for differences	Fixed-interest securities	11							
	Interest rates	12	41730			369765			
	Inflation	13							
	Credit index / basket	14							
	Credit single name	15							
	Equity index	16							
	Equity stock	17							
	Land	18							
	Currencies	19		104344				315723	
	Mortality	20							
	Other	21							
In the money options	Swaptions	31							
	Equity index calls	32							
	Equity stock calls	33							
	Equity index puts	34							
	Equity stock puts	35							
	Other	36							
Out of the money options	Swaptions	41	30303			172260			
	Equity index calls	42							
	Equity stock calls	43							
	Equity index puts	44							
	Equity stock puts	45							
	Other	46							
<b>Total (11 to 46)</b>		51	72033	104344		542025		315723	
Adjustment for variation margin		52							
<b>Total (51 + 52)</b>		53	72033	104344					

THE NOTIONAL AMOUNTS IN COLUMNS 3 AND 4 ARE NOT A MEASURE OF EXPOSURE.  
Please see instructions 11 and 12 to this Form for the meaning of these figures.

Long-term insurance business : Revenue account

**Name of insurer** Canada Life Limited  
**Total business / subfund** 10 Summary  
**Financial year ended** 31 December 2008  
**Units** £000

Financial year	Previous year
1	2

## Income

<b>Earned premiums</b>	11	<b>1347083</b>	<b>1655666</b>
<b>Investment income receivable before deduction of tax</b>	12	<b>889500</b>	<b>850679</b>
<b>Increase (decrease) in the value of non-linked assets brought into account</b>	13	<b>(519651)</b>	<b>(395225)</b>
<b>Increase (decrease) in the value of linked assets</b>	14	<b>(997363)</b>	<b>22096</b>
<b>Other income</b>	15	<b>20656</b>	<b>19599</b>
<b>Total income</b>	19	<b>740225</b>	<b>2152815</b>

## Expenditure

<b>Claims incurred</b>	21	<b>1360834</b>	<b>1448494</b>
<b>Expenses payable</b>	22	<b>125118</b>	<b>105171</b>
<b>Interest payable before the deduction of tax</b>	23	<b>99802</b>	<b>81066</b>
<b>Taxation</b>	24	<b>(1377)</b>	<b>71041</b>
<b>Other expenditure</b>	25	<b>16494</b>	<b>13696</b>
<b>Transfer to (from) non technical account</b>	26	<b>75000</b>	<b>200000</b>
<b>Total expenditure</b>	29	<b>1675871</b>	<b>1919468</b>

<b>Business transfers - in</b>	31		
<b>Business transfers - out</b>	32		
<b>Increase (decrease) in fund in financial year (19-29+31-32)</b>	39	<b>(935647)</b>	<b>233347</b>
<b>Fund brought forward</b>	49	<b>15513543</b>	<b>15280194</b>
<b>Fund carried forward (39+49)</b>	59	<b>14577896</b>	<b>15513542</b>

Long-term insurance business : Revenue account

**Name of insurer** Canada Life Limited  
**Total business / subfund** 21 With-Profits Fund  
**Financial year ended** 31 December 2008  
**Units** £000

Financial year	Previous year
1	2

## Income

<b>Earned premiums</b>	11	<b>3968</b>	<b>5218</b>
<b>Investment income receivable before deduction of tax</b>	12	<b>7086</b>	<b>8174</b>
<b>Increase (decrease) in the value of non-linked assets brought into account</b>	13	<b>594</b>	<b>9819</b>
<b>Increase (decrease) in the value of linked assets</b>	14		
<b>Other income</b>	15		
<b>Total income</b>	19	<b>11648</b>	<b>23210</b>

## Expenditure

<b>Claims incurred</b>	21	<b>29661</b>	<b>25604</b>
<b>Expenses payable</b>	22	<b>611</b>	<b>733</b>
<b>Interest payable before the deduction of tax</b>	23		
<b>Taxation</b>	24	<b>3280</b>	<b>3025</b>
<b>Other expenditure</b>	25	<b>9539</b>	<b>8383</b>
<b>Transfer to (from) non technical account</b>	26		
<b>Total expenditure</b>	29	<b>43091</b>	<b>37746</b>

<b>Business transfers - in</b>	31		
<b>Business transfers - out</b>	32		
<b>Increase (decrease) in fund in financial year (19-29+31-32)</b>	39	<b>(31442)</b>	<b>(14536)</b>
<b>Fund brought forward</b>	49	<b>141534</b>	<b>156069</b>
<b>Fund carried forward (39+49)</b>	59	<b>110092</b>	<b>141534</b>

Long-term insurance business : Revenue account

**Name of insurer** Canada Life Limited  
**Total business / subfund** 22 Manulife Fund  
**Financial year ended** 31 December 2008  
**Units** £000

Financial year	Previous year
1	2

## Income

		Financial year 1	Previous year 2
<b>Earned premiums</b>	11	<b>3821</b>	<b>4335</b>
<b>Investment income receivable before deduction of tax</b>	12	<b>16327</b>	<b>17557</b>
<b>Increase (decrease) in the value of non-linked assets brought into account</b>	13	<b>1473</b>	<b>2568</b>
<b>Increase (decrease) in the value of linked assets</b>	14		
<b>Other income</b>	15	<b>79</b>	<b>138</b>
<b>Total income</b>	19	<b>21699</b>	<b>24599</b>

## Expenditure

<b>Claims incurred</b>	21	<b>33826</b>	<b>30656</b>
<b>Expenses payable</b>	22	<b>2009</b>	<b>2155</b>
<b>Interest payable before the deduction of tax</b>	23		
<b>Taxation</b>	24	<b>2421</b>	<b>2152</b>
<b>Other expenditure</b>	25	<b>6846</b>	<b>5236</b>
<b>Transfer to (from) non technical account</b>	26		
<b>Total expenditure</b>	29	<b>45101</b>	<b>40199</b>

<b>Business transfers - in</b>	31		
<b>Business transfers - out</b>	32		
<b>Increase (decrease) in fund in financial year (19-29+31-32)</b>	39	<b>(23402)</b>	<b>(15600)</b>
<b>Fund brought forward</b>	49	<b>271602</b>	<b>287202</b>
<b>Fund carried forward (39+49)</b>	59	<b>248200</b>	<b>271602</b>

Long-term insurance business : Revenue account

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000

Financial year	Previous year
1	2

## Income

<b>Earned premiums</b>	11	<b>1339295</b>	<b>1646113</b>
<b>Investment income receivable before deduction of tax</b>	12	<b>866087</b>	<b>824948</b>
<b>Increase (decrease) in the value of non-linked assets brought into account</b>	13	<b>(521718)</b>	<b>(407612)</b>
<b>Increase (decrease) in the value of linked assets</b>	14	<b>(997363)</b>	<b>22096</b>
<b>Other income</b>	15	<b>20577</b>	<b>19461</b>
<b>Total income</b>	19	<b>706877</b>	<b>2105006</b>

## Expenditure

<b>Claims incurred</b>	21	<b>1297347</b>	<b>1392234</b>
<b>Expenses payable</b>	22	<b>122499</b>	<b>102283</b>
<b>Interest payable before the deduction of tax</b>	23	<b>99802</b>	<b>81066</b>
<b>Taxation</b>	24	<b>(7078)</b>	<b>65864</b>
<b>Other expenditure</b>	25	<b>109</b>	<b>77</b>
<b>Transfer to (from) non technical account</b>	26	<b>75000</b>	<b>200000</b>
<b>Total expenditure</b>	29	<b>1587679</b>	<b>1841524</b>

<b>Business transfers - in</b>	31		
<b>Business transfers - out</b>	32		
<b>Increase (decrease) in fund in financial year (19-29+31-32)</b>	39	<b>(880802)</b>	<b>263482</b>
<b>Fund brought forward</b>	49	<b>15100407</b>	<b>14836924</b>
<b>Fund carried forward (39+49)</b>	59	<b>14219605</b>	<b>15100407</b>

Long-term insurance business : Analysis of premiums

**Name of insurer** Canada Life Limited  
**Total business / subfund** 10 Summary  
**Financial year ended** 31 December 2008  
**Units** £000

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

Gross

<b>Regular premiums</b>	11	<b>217380</b>	<b>342967</b>		<b>560347</b>	<b>532597</b>
<b>Single premiums</b>	12	<b>430292</b>	<b>1034939</b>		<b>1465231</b>	<b>1295423</b>

Reinsurance - external

<b>Regular premiums</b>	13	<b>11612</b>	<b>79149</b>		<b>90761</b>	<b>18563</b>
<b>Single premiums</b>	14		<b>16967</b>		<b>16967</b>	

Reinsurance - intra-group

<b>Regular premiums</b>	15	<b>14522</b>	<b>149681</b>		<b>164203</b>	<b>153791</b>
<b>Single premiums</b>	16		<b>406563</b>		<b>406563</b>	

Net of reinsurance

<b>Regular premiums</b>	17	<b>191246</b>	<b>114136</b>		<b>305382</b>	<b>360243</b>
<b>Single premiums</b>	18	<b>430292</b>	<b>611409</b>		<b>1041701</b>	<b>1295423</b>

Total

<b>Gross</b>	19	<b>647673</b>	<b>1377905</b>		<b>2025578</b>	<b>1828020</b>
<b>Reinsurance</b>	20	<b>26134</b>	<b>652361</b>		<b>678495</b>	<b>172354</b>
<b>Net</b>	21	<b>621539</b>	<b>725544</b>		<b>1347083</b>	<b>1655666</b>

Long-term insurance business : Analysis of premiums

**Name of insurer** Canada Life Limited  
**Total business / subfund** 21 With-Profits Fund  
**Financial year ended** 31 December 2008  
**Units** £000

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

Gross

<b>Regular premiums</b>	11	<b>3961</b>	<b>6</b>		<b>3968</b>	<b>5218</b>
<b>Single premiums</b>	12					

Reinsurance - external

<b>Regular premiums</b>	13					
<b>Single premiums</b>	14					

Reinsurance - intra-group

<b>Regular premiums</b>	15					
<b>Single premiums</b>	16					

Net of reinsurance

<b>Regular premiums</b>	17	<b>3961</b>	<b>6</b>		<b>3968</b>	<b>5218</b>
<b>Single premiums</b>	18					

Total

<b>Gross</b>	19	<b>3961</b>	<b>6</b>		<b>3968</b>	<b>5218</b>
<b>Reinsurance</b>	20					
<b>Net</b>	21	<b>3961</b>	<b>6</b>		<b>3968</b>	<b>5218</b>

Long-term insurance business : Analysis of premiums

**Name of insurer** Canada Life Limited  
**Total business / subfund** 22 Manulife Fund  
**Financial year ended** 31 December 2008  
**Units** £000

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

Gross

<b>Regular premiums</b>	11	3568	226		3794	4327
<b>Single premiums</b>	12		41		41	27

Reinsurance - external

<b>Regular premiums</b>	13					
<b>Single premiums</b>	14					

Reinsurance - intra-group

<b>Regular premiums</b>	15	14			14	19
<b>Single premiums</b>	16					

Net of reinsurance

<b>Regular premiums</b>	17	3554	226		3780	4308
<b>Single premiums</b>	18		41		41	27

Total

<b>Gross</b>	19	3568	267		3835	4354
<b>Reinsurance</b>	20	14			14	19
<b>Net</b>	21	3554	267		3821	4335

Long-term insurance business : Analysis of premiums

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000

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

Gross

<b>Regular premiums</b>	11	<b>209850</b>	<b>342735</b>		<b>552585</b>	<b>523053</b>
<b>Single premiums</b>	12	<b>430292</b>	<b>1034898</b>		<b>1465190</b>	<b>1295396</b>

Reinsurance - external

<b>Regular premiums</b>	13	<b>11612</b>	<b>79149</b>		<b>90761</b>	<b>18563</b>
<b>Single premiums</b>	14		<b>16967</b>		<b>16967</b>	

Reinsurance - intra-group

<b>Regular premiums</b>	15	<b>14507</b>	<b>149681</b>		<b>164189</b>	<b>153773</b>
<b>Single premiums</b>	16		<b>406563</b>		<b>406563</b>	

Net of reinsurance

<b>Regular premiums</b>	17	<b>183731</b>	<b>113904</b>		<b>297635</b>	<b>350717</b>
<b>Single premiums</b>	18	<b>430292</b>	<b>611368</b>		<b>1041660</b>	<b>1295396</b>

Total

<b>Gross</b>	19	<b>640143</b>	<b>1377633</b>		<b>2017775</b>	<b>1818449</b>
<b>Reinsurance</b>	20	<b>26119</b>	<b>652361</b>		<b>678481</b>	<b>172336</b>
<b>Net</b>	21	<b>614023</b>	<b>725272</b>		<b>1339295</b>	<b>1646113</b>

Long-term insurance business : Analysis of claims

**Name of insurer** Canada Life Limited  
**Total business / subfund** 10 Summary  
**Financial year ended** 31 December 2008  
**Units** £000

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

## Gross

<b>Death or disability lump sums</b>	11	<b>70513</b>	<b>207423</b>		<b>277936</b>	<b>253068</b>
<b>Disability periodic payments</b>	12	<b>75447</b>			<b>75447</b>	<b>85724</b>
<b>Surrender or partial surrender</b>	13	<b>194048</b>	<b>201725</b>		<b>395774</b>	<b>421705</b>
<b>Annuity payments</b>	14	<b>9854</b>	<b>887230</b>		<b>897085</b>	<b>868950</b>
<b>Lump sums on maturity</b>	15	<b>62300</b>	<b>9425</b>		<b>71725</b>	<b>62842</b>
Total	16	<b>412162</b>	<b>1305804</b>		<b>1717966</b>	<b>1692289</b>

## Reinsurance - external

<b>Death or disability lump sums</b>	21	<b>888</b>	<b>1357</b>		<b>2244</b>	<b>2035</b>
<b>Disability periodic payments</b>	22	<b>20383</b>			<b>20383</b>	<b>27511</b>
<b>Surrender or partial surrender</b>	23					
<b>Annuity payments</b>	24		<b>75664</b>		<b>75664</b>	
<b>Lump sums on maturity</b>	25	<b>1656</b>			<b>1656</b>	<b>1329</b>
Total	26	<b>22927</b>	<b>77021</b>		<b>99947</b>	<b>30875</b>

## Reinsurance - intra-group

<b>Death or disability lump sums</b>	31		<b>120119</b>		<b>120119</b>	<b>110482</b>
<b>Disability periodic payments</b>	32					
<b>Surrender or partial surrender</b>	33					
<b>Annuity payments</b>	34		<b>137066</b>		<b>137066</b>	<b>102438</b>
<b>Lump sums on maturity</b>	35					
Total	36		<b>257185</b>		<b>257185</b>	<b>212921</b>

## Net of reinsurance

<b>Death or disability lump sums</b>	41	<b>69625</b>	<b>85947</b>		<b>155572</b>	<b>140551</b>
<b>Disability periodic payments</b>	42	<b>55064</b>			<b>55064</b>	<b>58213</b>
<b>Surrender or partial surrender</b>	43	<b>194048</b>	<b>201725</b>		<b>395774</b>	<b>421705</b>
<b>Annuity payments</b>	44	<b>9854</b>	<b>674501</b>		<b>684355</b>	<b>766511</b>
<b>Lump sums on maturity</b>	45	<b>60644</b>	<b>9425</b>		<b>70069</b>	<b>61513</b>
Total	46	<b>389235</b>	<b>971598</b>		<b>1360834</b>	<b>1448493</b>

Long-term insurance business : Analysis of claims

**Name of insurer** Canada Life Limited  
**Total business / subfund** 21 With-Profits Fund  
**Financial year ended** 31 December 2008  
**Units** £000

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

## Gross

<b>Death or disability lump sums</b>	11	1959	0		1959	1724
<b>Disability periodic payments</b>	12					
<b>Surrender or partial surrender</b>	13	2772	134		2906	3633
<b>Annuity payments</b>	14					
<b>Lump sums on maturity</b>	15	24658	138		24796	20248
<b>Total</b>	16	29389	272		29661	25605

## Reinsurance - external

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

## Reinsurance - intra-group

<b>Death or disability lump sums</b>	31					
<b>Disability periodic payments</b>	32					
<b>Surrender or partial surrender</b>	33					
<b>Annuity payments</b>	34					
<b>Lump sums on maturity</b>	35					
<b>Total</b>	36					

## Net of reinsurance

<b>Death or disability lump sums</b>	41	1959	0		1959	1724
<b>Disability periodic payments</b>	42					
<b>Surrender or partial surrender</b>	43	2772	134		2906	3633
<b>Annuity payments</b>	44					
<b>Lump sums on maturity</b>	45	24658	138		24796	20248
<b>Total</b>	46	29389	272		29661	25605

Long-term insurance business : Analysis of claims

**Name of insurer** Canada Life Limited  
**Total business / subfund** 22 Manulife Fund  
**Financial year ended** 31 December 2008  
**Units** £000

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

## Gross

<b>Death or disability lump sums</b>	11	3992	152		4143	3862
<b>Disability periodic payments</b>	12					
<b>Surrender or partial surrender</b>	13	5583	5998		11581	12880
<b>Annuity payments</b>	14	(0)	1912		1912	1999
<b>Lump sums on maturity</b>	15	15723	467		16190	11915
<b>Total</b>	16	25297	8529		33826	30656

## Reinsurance - external

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

## Reinsurance - intra-group

<b>Death or disability lump sums</b>	31					
<b>Disability periodic payments</b>	32					
<b>Surrender or partial surrender</b>	33					
<b>Annuity payments</b>	34					
<b>Lump sums on maturity</b>	35					
<b>Total</b>	36					

## Net of reinsurance

<b>Death or disability lump sums</b>	41	3992	152		4143	3862
<b>Disability periodic payments</b>	42					
<b>Surrender or partial surrender</b>	43	5583	5998		11581	12880
<b>Annuity payments</b>	44	(0)	1912		1912	1999
<b>Lump sums on maturity</b>	45	15723	467		16190	11915
<b>Total</b>	46	25297	8529		33826	30656

Long-term insurance business : Analysis of claims

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000

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

## Gross

<b>Death or disability lump sums</b>	11	<b>64563</b>	<b>207271</b>		<b>271834</b>	<b>247482</b>
<b>Disability periodic payments</b>	12	<b>75447</b>			<b>75447</b>	<b>85724</b>
<b>Surrender or partial surrender</b>	13	<b>185693</b>	<b>195593</b>		<b>381286</b>	<b>405193</b>
<b>Annuity payments</b>	14	<b>9855</b>	<b>885318</b>		<b>895173</b>	<b>866951</b>
<b>Lump sums on maturity</b>	15	<b>21919</b>	<b>8820</b>		<b>30739</b>	<b>30679</b>
Total	16	<b>357476</b>	<b>1297003</b>		<b>1654479</b>	<b>1636029</b>

## Reinsurance - external

<b>Death or disability lump sums</b>	21	<b>888</b>	<b>1357</b>		<b>2244</b>	<b>2035</b>
<b>Disability periodic payments</b>	22	<b>20383</b>			<b>20383</b>	<b>27511</b>
<b>Surrender or partial surrender</b>	23					
<b>Annuity payments</b>	24		<b>75664</b>		<b>75664</b>	
<b>Lump sums on maturity</b>	25	<b>1656</b>			<b>1656</b>	<b>1329</b>
Total	26	<b>22927</b>	<b>77021</b>		<b>99947</b>	<b>30875</b>

## Reinsurance - intra-group

<b>Death or disability lump sums</b>	31		<b>120119</b>		<b>120119</b>	<b>110482</b>
<b>Disability periodic payments</b>	32					
<b>Surrender or partial surrender</b>	33					
<b>Annuity payments</b>	34		<b>137066</b>		<b>137066</b>	<b>102438</b>
<b>Lump sums on maturity</b>	35					
Total	36		<b>257185</b>		<b>257185</b>	<b>212920</b>

## Net of reinsurance

<b>Death or disability lump sums</b>	41	<b>63675</b>	<b>85795</b>		<b>149470</b>	<b>134965</b>
<b>Disability periodic payments</b>	42	<b>55064</b>			<b>55064</b>	<b>58213</b>
<b>Surrender or partial surrender</b>	43	<b>185693</b>	<b>195593</b>		<b>381286</b>	<b>405193</b>
<b>Annuity payments</b>	44	<b>9855</b>	<b>672589</b>		<b>682443</b>	<b>764513</b>
<b>Lump sums on maturity</b>	45	<b>20263</b>	<b>8820</b>		<b>29083</b>	<b>29350</b>
Total	46	<b>334550</b>	<b>962797</b>		<b>1297347</b>	<b>1392234</b>

Long-term insurance business : Analysis of expenses

**Name of insurer** Canada Life Limited  
**Total business / subfund** 10 Summary  
**Financial year ended** 31 December 2008  
**Units** £000

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

## Gross

<b>Commission - acquisition</b>	11	24709	12051		36760	31964
<b>Commission - other</b>	12	13974	7937		21911	20930
<b>Management - acquisition</b>	13	10077	10044		20121	20678
<b>Management - maintenance</b>	14	17038	17141		34179	30643
<b>Management - other</b>	15	8811	8307		17117	5642
<b>Total</b>	16	74608	55480		130088	109857

## Reinsurance - external

<b>Commission - acquisition</b>	21	0			0	17
<b>Commission - other</b>	22	190			190	370
<b>Management - acquisition</b>	23					
<b>Management - maintenance</b>	24					
<b>Management - other</b>	25					
<b>Total</b>	26	190			190	387

## Reinsurance - intra-group

<b>Commission - acquisition</b>	31		390		390	362
<b>Commission - other</b>	32		3525		3525	3255
<b>Management - acquisition</b>	33					
<b>Management - maintenance</b>	34		864		864	682
<b>Management - other</b>	35					
<b>Total</b>	36		4779		4779	4299

## Net of reinsurance

<b>Commission - acquisition</b>	41	24709	11661		36369	31585
<b>Commission - other</b>	42	13784	4412		18196	17305
<b>Management - acquisition</b>	43	10077	10044		20121	20678
<b>Management - maintenance</b>	44	17038	16277		33315	29961
<b>Management - other</b>	45	8811	8307		17117	5642
<b>Total</b>	46	74418	50700		125118	105171

Long-term insurance business : Analysis of expenses

**Name of insurer** Canada Life Limited  
**Total business / subfund** 21 With-Profits Fund  
**Financial year ended** 31 December 2008  
**Units** £000

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

Gross

<b>Commission - acquisition</b>	11				
<b>Commission - other</b>	12	19	0	19	25
<b>Management - acquisition</b>	13				
<b>Management - maintenance</b>	14	592		592	708
<b>Management - other</b>	15				
<b>Total</b>	16	611	0	611	733

Reinsurance - external

<b>Commission - acquisition</b>	21				
<b>Commission - other</b>	22				
<b>Management - acquisition</b>	23				
<b>Management - maintenance</b>	24				
<b>Management - other</b>	25				
<b>Total</b>	26				

Reinsurance - intra-group

<b>Commission - acquisition</b>	31				
<b>Commission - other</b>	32				
<b>Management - acquisition</b>	33				
<b>Management - maintenance</b>	34				
<b>Management - other</b>	35				
<b>Total</b>	36				

Net of reinsurance

<b>Commission - acquisition</b>	41				
<b>Commission - other</b>	42	19	0	19	25
<b>Management - acquisition</b>	43				
<b>Management - maintenance</b>	44	592		592	708
<b>Management - other</b>	45				
<b>Total</b>	46	611	0	611	733

Long-term insurance business : Analysis of expenses

**Name of insurer** Canada Life Limited  
**Total business / subfund** 22 Manulife Fund  
**Financial year ended** 31 December 2008  
**Units** £000

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

Gross

<b>Commission - acquisition</b>	11				
<b>Commission - other</b>	12	16	1	17	26
<b>Management - acquisition</b>	13				
<b>Management - maintenance</b>	14	1622	370	1992	2129
<b>Management - other</b>	15				
<b>Total</b>	16	1638	371	2009	2155

Reinsurance - external

<b>Commission - acquisition</b>	21				
<b>Commission - other</b>	22				
<b>Management - acquisition</b>	23				
<b>Management - maintenance</b>	24				
<b>Management - other</b>	25				
<b>Total</b>	26				

Reinsurance - intra-group

<b>Commission - acquisition</b>	31				
<b>Commission - other</b>	32				
<b>Management - acquisition</b>	33				
<b>Management - maintenance</b>	34				
<b>Management - other</b>	35				
<b>Total</b>	36				

Net of reinsurance

<b>Commission - acquisition</b>	41				
<b>Commission - other</b>	42	16	1	17	26
<b>Management - acquisition</b>	43				
<b>Management - maintenance</b>	44	1622	370	1992	2129
<b>Management - other</b>	45				
<b>Total</b>	46	1638	371	2009	2155

Long-term insurance business : Analysis of expenses

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000

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

## Gross

<b>Commission - acquisition</b>	11	24709	12051		36760	31964
<b>Commission - other</b>	12	13939	7937		21876	20880
<b>Management - acquisition</b>	13	10077	10044		20121	20678
<b>Management - maintenance</b>	14	14825	16771		31595	27805
<b>Management - other</b>	15	8811	8307		17117	5642
<b>Total</b>	16	72360	55109		127469	106969

## Reinsurance - external

<b>Commission - acquisition</b>	21	0			0	17
<b>Commission - other</b>	22	190			190	370
<b>Management - acquisition</b>	23					
<b>Management - maintenance</b>	24					
<b>Management - other</b>	25					
<b>Total</b>	26	190			190	387

## Reinsurance - intra-group

<b>Commission - acquisition</b>	31		390		390	362
<b>Commission - other</b>	32		3525		3525	3255
<b>Management - acquisition</b>	33					
<b>Management - maintenance</b>	34		864		864	682
<b>Management - other</b>	35					
<b>Total</b>	36		4779		4779	4300

## Net of reinsurance

<b>Commission - acquisition</b>	41	24709	11661		36369	31586
<b>Commission - other</b>	42	13749	4411		18160	17254
<b>Management - acquisition</b>	43	10077	10044		20121	20678
<b>Management - maintenance</b>	44	14825	15907		30732	27123
<b>Management - other</b>	45	8811	8307		17117	5642
<b>Total</b>	46	72170	50329		122499	102282

Long-term insurance business : Linked funds balance sheet

**Name of insurer** Canada Life Limited  
**Total business**  
**Financial year ended** 31 December 2008  
**Units** £000

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

Internal linked funds (excluding cross investment)

<b>Directly held assets (excluding collective investment schemes)</b>	11	<b>2974663</b>	<b>3303184</b>
<b>Directly held assets in collective investment schemes of connected companies</b>	12		
<b>Directly held assets in other collective investment schemes</b>	13	<b>1483404</b>	<b>1949002</b>
Total assets (excluding cross investment) (11+12+13)	14	<b>4458067</b>	<b>5252186</b>
<b>Provision for tax on unrealised capital gains</b>	15	<b>2349</b>	<b>14299</b>
<b>Secured and unsecured loans</b>	16		
<b>Other liabilities</b>	17	<b>837126</b>	<b>831069</b>
Total net assets (14-15-16-17)	18	<b>3618592</b>	<b>4406818</b>

Directly held linked assets

<b>Value of directly held linked assets</b>	21	<b>40096</b>	<b>61983</b>
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Total

<b>Value of directly held linked assets and units held (18+21)</b>	31	<b>3658688</b>	<b>4468801</b>
<b>Surplus units</b>	32		
<b>Deficit units</b>	33		
Net unit liability (31-32+33)	34	<b>3658688</b>	<b>4468801</b>

Long-term insurance business : Revenue account for internal linked funds

**Name of insurer** Canada Life Limited  
**Total business**  
**Financial year ended** 31 December 2008  
**Units** £000

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

## Income

<b>Value of total creation of units</b>	11	<b>530319</b>	<b>546158</b>
<b>Investment income attributable to the funds before deduction of tax</b>	12	<b>181948</b>	<b>191052</b>
<b>Increase (decrease) in the value of investments in the financial year</b>	13	<b>(979378)</b>	<b>21458</b>
<b>Other income</b>	14	<b>19825</b>	<b>22694</b>
Total income	19	<b>(247286)</b>	<b>781362</b>

## Expenditure

<b>Value of total cancellation of units</b>	21	<b>482799</b>	<b>531557</b>
<b>Charges for management</b>	22	<b>53183</b>	<b>59456</b>
<b>Charges in respect of tax on investment income</b>	23	<b>3569</b>	<b>(2131)</b>
<b>Taxation on realised capital gains</b>	24	<b>8212</b>	<b>10634</b>
<b>Increase (decrease) in amount set aside for tax on capital gains not yet realised</b>	25	<b>(6823)</b>	<b>(3761)</b>
<b>Other expenditure</b>	26		
Total expenditure	29	<b>540940</b>	<b>595755</b>

<b>Increase (decrease) in funds in financial year (19-29)</b>	39	<b>(788226)</b>	<b>185607</b>
<b>Internal linked fund brought forward</b>	49	<b>4406818</b>	<b>4221211</b>
<b>Internal linked funds carried forward (39+49)</b>	59	<b>3618592</b>	<b>4406818</b>

Long-term insurance business : Summary of new business

**Name of insurer** Canada Life Limited

**Total business**

**Financial year ended** 31 December 2008

**Units** £000

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

Number of new policyholders/  
scheme members for direct  
insurance business

<b>Regular premium business</b>	11	<b>57433</b>	<b>236994</b>		<b>294427</b>	<b>278421</b>
<b>Single premium business</b>	12	<b>4560</b>	<b>24406</b>		<b>28966</b>	<b>24652</b>
Total	13	<b>61993</b>	<b>261400</b>		<b>323393</b>	<b>303073</b>

Amount of new regular  
premiums

<b>Direct insurance business</b>	21	<b>19368</b>	<b>22710</b>		<b>42078</b>	<b>39108</b>
<b>External reinsurance</b>	22					
<b>Intra-group reinsurance</b>	23					
Total	24	<b>19368</b>	<b>22710</b>		<b>42078</b>	<b>39108</b>

Amount of new single  
premiums

<b>Direct insurance business</b>	25	<b>430296</b>	<b>1034939</b>		<b>1465235</b>	<b>1295422</b>
<b>External reinsurance</b>	26					
<b>Intra-group reinsurance</b>	27					
Total	28	<b>430296</b>	<b>1034939</b>		<b>1465235</b>	<b>1295422</b>

Long-term insurance business : Analysis of new business

Name of insurer

Canada Life Limited

Total business

Financial year ended

31 December 2008

Units

£000

UK Life / Direct Insurance Business

Product code number 1	Product description 2	Regular premium business		Single premium business	
		Number of policy holders / scheme members 3	Amount of premiums 4	Number of policy holders / scheme members 5	Amount of premiums 6
300	Regular premium non-profit WEA OB	15	95		
325	Level term assurance	162	544		
330	Decreasing term assurance	3	2		
350	Stand alone critical illness		1		
360	Income Protector	5	276		
395	Annuity non-profit (PLA)			111	9872
420	Group income protection	55241	17963		
430	Group critical illness	2006	404		
700	Life property linked single premium (Other)				4
700	Life property linked single premium (IPB/EPB)			98	9168
700	Life property linked single premium (SIB)			4343	405436
700	Life property linked single premium (SSFA)			8	5816
710	Life property linked whole life regular premium	1	83		

Long-term insurance business : Analysis of new business

**Name of insurer**

Canada Life Limited

**Total business****Financial year ended**

31 December 2008

**Units**

£000

**UK Pension / Direct Insurance Business**

Product code number 1	Product description 2	Regular premium business		Single premium business	
		Number of policy holders / scheme members 3	Amount of premiums 4	Number of policy holders / scheme members 5	Amount of premiums 6
400	Annuity non-profit (CPA)			23116	912922
405	Annuity non-profit (CPA impaired life)			441	35076
410	Group Life	236978	22285		
725	Individual pensions property linked (Other)	16	345	28	6261
725	Individual pensions property linked (AGA)			241	22961
735	Group money purchase pensions property linked		56		157
755	Trustee investment plan		24	55	8546
905	Index-linked annuity (CPA)			525	49016

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

**Name of insurer** Canada Life Limited  
**Category of assets** 10 Total long term insurance business assets  
**Financial year ended** 31 December 2008  
**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	906397	908520	68493	7.54	
Approved fixed interest securities	12	2599447	2602194	124843	3.60	
Other fixed interest securities	13	5669251	5698103	389304	7.36	
Variable interest securities	14	271842	249734	26199	3.12	
UK listed equity shares	15	19577	29853	1146	5.86	
Non-UK listed equity shares	16					
Unlisted equity shares	17	122717	122717			
Other assets	18	2114282	2092391	100766	4.82	
Total	19	11703512	11703512	710751	5.91	

Assets backing with-profits liabilities and with-profits capital requirements

Land and buildings	21		35204	2317	6.58	(12.16)
Approved fixed interest securities	22	183814	183814	11671	2.82	8.91
Other fixed interest securities	23	23033	23033	2805	6.56	(1.40)
Variable interest securities	24	10850	10850	400	2.25	20.93
UK listed equity shares	25	53317	53317	4058	7.61	(30.22)
Non-UK listed equity shares	26					
Unlisted equity shares	27					
Other assets	28	69981	34777	2009	5.78	0.04
Total	29	340994	340994	23260	4.50	(0.60)

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 : Assets not held to match linked liabilities

**Name of insurer** Canada Life Limited  
**Category of assets** 11 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**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

<b>Land and buildings</b>	11	<b>906397</b>	<b>908520</b>	<b>68493</b>	<b>7.54</b>	
<b>Approved fixed interest securities</b>	12	<b>2577097</b>	<b>2579844</b>	<b>124167</b>	<b>3.60</b>	
<b>Other fixed interest securities</b>	13	<b>5650910</b>	<b>5679762</b>	<b>388064</b>	<b>7.36</b>	
<b>Variable interest securities</b>	14	<b>266592</b>	<b>244484</b>	<b>26081</b>	<b>3.14</b>	
<b>UK listed equity shares</b>	15	<b>19577</b>	<b>29853</b>	<b>1146</b>	<b>5.86</b>	
<b>Non-UK listed equity shares</b>	16					
<b>Unlisted equity shares</b>	17	<b>122717</b>	<b>122717</b>			
<b>Other assets</b>	18	<b>2100396</b>	<b>2078505</b>	<b>99854</b>	<b>4.80</b>	
Total	19	<b>11643685</b>	<b>11643685</b>	<b>707806</b>	<b>5.92</b>	

Assets backing with-profits liabilities and with-profits capital requirements

<b>Land and buildings</b>	21					
<b>Approved fixed interest securities</b>	22					
<b>Other fixed interest securities</b>	23					
<b>Variable interest securities</b>	24					
<b>UK listed equity shares</b>	25					
<b>Non-UK listed equity shares</b>	26					
<b>Unlisted equity shares</b>	27					
<b>Other assets</b>	28					
Total	29					

Overall return on with-profits assets

<b>Post investment costs but pre-tax</b>	31					
<b>Return allocated to non taxable 'asset shares'</b>	32					
<b>Return allocated to taxable 'asset shares'</b>	33					

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

**Name of insurer** Canada Life Limited  
**Category of assets** 13 With-Profits Fund  
**Financial year ended** 31 December 2008  
**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

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

Assets backing with-profits liabilities and with-profits capital requirements

<b>Land and buildings</b>	21		15401	1013	6.58	(12.14)
<b>Approved fixed interest securities</b>	22	61003	61003	3253	2.43	19.78
<b>Other fixed interest securities</b>	23	9777	9777	623	6.29	(34.09)
<b>Variable interest securities</b>	24					
<b>UK listed equity shares</b>	25	26868	26868	2047	7.62	(29.04)
<b>Non-UK listed equity shares</b>	26					
<b>Unlisted equity shares</b>	27					
<b>Other assets</b>	28	24323	8922	312	3.50	5.12
Total	29	121972	121972	7248	4.48	(0.39)

Overall return on with-profits assets

<b>Post investment costs but pre-tax</b>	31					(6.89)
<b>Return allocated to non taxable 'asset shares'</b>	32					(6.89)
<b>Return allocated to taxable 'asset shares'</b>	33					(9.22)

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

**Name of insurer** Canada Life Limited  
**Category of assets** 14 Manulife Fund  
**Financial year ended** 31 December 2008  
**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

<b>Land and buildings</b>	11					
<b>Approved fixed interest securities</b>	12	22350	22350	676	3.02	
<b>Other fixed interest securities</b>	13	18341	18341	1240	6.76	
<b>Variable interest securities</b>	14	5250	5250	118	2.25	
<b>UK listed equity shares</b>	15					
<b>Non-UK listed equity shares</b>	16					
<b>Unlisted equity shares</b>	17					
<b>Other assets</b>	18	13886	13886	911	6.56	
<b>Total</b>	19	59827	59827	2945	4.92	

Assets backing with-profits liabilities and with-profits capital requirements

<b>Land and buildings</b>	21		19803	1303	6.58	(12.17)
<b>Approved fixed interest securities</b>	22	122810	122810	8418	3.02	3.51
<b>Other fixed interest securities</b>	23	13256	13256	2183	6.76	22.71
<b>Variable interest securities</b>	24	10850	10850	400	2.25	20.93
<b>UK listed equity shares</b>	25	26449	26449	2011	7.60	(31.43)
<b>Non-UK listed equity shares</b>	26					
<b>Unlisted equity shares</b>	27					
<b>Other assets</b>	28	45658	25855	1697	6.56	(1.71)
<b>Total</b>	29	219023	219023	16012	4.50	(0.72)

Overall return on with-profits assets

<b>Post investment costs but pre-tax</b>	31					(3.84)
<b>Return allocated to non taxable 'asset shares'</b>	32					(3.84)
<b>Return allocated to taxable 'asset shares'</b>	33					(5.13)

Long-term insurance business : Fixed and variable interest assets

**Name of insurer** Canada Life Limited  
**Category of assets** 10 Total long term insurance business assets  
**Financial year ended** 31 December 2008  
**Units** £000

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	11	1833500	12.42	3.38	3.38

Other approved fixed interest securities	21	952508	8.16	3.87	3.87
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Other fixed interest securities

AAA/Aaa	31	497164	8.24	6.67	6.47
AA/Aa	32	1772189	8.23	6.25	5.75
A/A	33	2772858	8.83	7.87	7.12
BBB/Baa	34	667381	8.28	8.42	7.41
BB/Ba	35	6673	8.82	6.56	3.56
B/B	36	4212	3.55	53.61	50.61
CCC/Caa	37				
Other (including unrated)	38	659	0.74		
Total other fixed interest securities	39	5721136	8.52	7.35	6.69

Approved variable interest securities	41	121043	10.61	1.82	1.82
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Other variable interest securities	51	139541	13.33	4.17	4.11
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Total (11+21+39+41+51)	61	8767728	9.40	6.02	5.59
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Long-term insurance business : Fixed and variable interest assets

**Name of insurer** Canada Life Limited  
**Category of assets** 11 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	11	1648634	13.06	3.44	3.44

Other approved fixed interest securities	21	931211	8.30	3.90	3.90
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Other fixed interest securities

AAA/Aaa	31	487504	8.28	6.67	6.47
AA/Aa	32	1760994	8.23	6.25	5.75
A/A	33	2754966	8.85	7.87	7.12
BBB/Baa	34	664754	8.28	8.42	7.42
BB/Ba	35	6673	8.82	6.56	3.56
B/B	36	4212	3.55	53.61	50.61
CCC/Caa	37				
Other (including unrated)	38	659	0.74		
Total other fixed interest securities	39	5679762	8.53	7.36	6.70

Approved variable interest securities	41	108259	10.75	1.82	1.82
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Other variable interest securities	51	136225	13.13	4.18	4.12
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Total (11+21+39+41+51)	61	8504090	9.48	6.10	5.66
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Long-term insurance business : Fixed and variable interest assets

**Name of insurer** Canada Life Limited  
**Category of assets** 13 With-Profits Fund  
**Financial year ended** 31 December 2008  
**Units** £000

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	11	56691	4.70	2.40	2.40

Other approved fixed interest securities	21	4312	2.79	2.82	2.82
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Other fixed interest securities

AAA/Aaa	31	3864	6.39	6.41	6.16
AA/Aa	32	2680	8.57	6.20	5.58
A/A	33	3233	6.45	6.22	5.28
BBB/Baa	34				
BB/Ba	35				
B/B	36				
CCC/Caa	37				
Other (including unrated)	38				
Total other fixed interest securities	39	9777	7.01	6.29	5.71

Approved variable interest securities	41				
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Other variable interest securities	51				
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Total (11+21+39+41+51)	61	70780	4.91	2.96	2.88
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Long-term insurance business : Fixed and variable interest assets

**Name of insurer** Canada Life Limited  
**Category of assets** 14 Manulife Fund  
**Financial year ended** 31 December 2008  
**Units** £000

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	11	128176	7.71	3.05	3.05

Other approved fixed interest securities	21	16985	2.01	2.81	2.81
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Other fixed interest securities

AAA/Aaa	31	5796	6.39	6.41	6.16
AA/Aa	32	8515	7.76	6.79	6.16
A/A	33	14659	7.17	6.82	5.88
BBB/Baa	34	2627	8.04	7.09	5.84
BB/Ba	35				
B/B	36				
CCC/Caa	37				
Other (including unrated)	38				
Total other fixed interest securities	39	31597	7.26	6.76	6.01

Approved variable interest securities	41	12784	9.47	1.83	1.83
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Other variable interest securities	51	3316	21.66	3.85	3.78
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Total (11+21+39+41+51)	61	192857	7.49	3.57	3.45
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## Long-term insurance business : Summary of mathematical reserves

**Name of insurer** Canada Life Limited  
**Total business / subfund** 10 Summary  
**Financial year ended** 31 December 2008  
**Units** £000

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

## Gross

<b>Form 51 - with-profits</b>	11	258000	7159	265159	305410
<b>Form 51 - non-profit</b>	12	704699	10328311	11033010	10802401
<b>Form 52</b>	13				
<b>Form 53 - linked</b>	14	1720251	1938437	3658688	4469018
<b>Form 53 - non-linked</b>	15	(83876)	40944	(42932)	(19005)
<b>Form 54 - linked</b>	16	89888	1236042	1325930	1318855
<b>Form 54 - non-linked</b>	17				
<b>Total</b>	18	2688962	13550893	16239855	16876679

## Reinsurance - external

<b>Form 51 - with-profits</b>	21				
<b>Form 51 - non-profit</b>	22	122168	39177	161345	144091
<b>Form 52</b>	23				
<b>Form 53 - linked</b>	24				
<b>Form 53 - non-linked</b>	25				
<b>Form 54 - linked</b>	26	14383	(11370)	3013	17261
<b>Form 54 - non-linked</b>	27				
<b>Total</b>	28	136551	27807	164358	161352

## Reinsurance - intra-group

<b>Form 51 - with-profits</b>	31				
<b>Form 51 - non-profit</b>	32	1870	1452677	1454547	1217514
<b>Form 52</b>	33				
<b>Form 53 - linked</b>	34				
<b>Form 53 - non-linked</b>	35				
<b>Form 54 - linked</b>	36		216698	216698	167460
<b>Form 54 - non-linked</b>	37				
<b>Total</b>	38	1870	1669375	1671245	1384974

## Net of reinsurance

<b>Form 51 - with-profits</b>	41	258000	7159	265159	305410
<b>Form 51 - non-profit</b>	42	580661	8836457	9417118	9440796
<b>Form 52</b>	43				
<b>Form 53 - linked</b>	44	1720251	1938437	3658688	4469018
<b>Form 53 - non-linked</b>	45	(83876)	40944	(42932)	(19005)
<b>Form 54 - linked</b>	46	75505	1030714	1106219	1134134
<b>Form 54 - non-linked</b>	47				
<b>Total</b>	48	2550541	11853711	14404252	15330353

## Long-term insurance business : Summary of mathematical reserves

**Name of insurer** Canada Life Limited  
**Total business / subfund** 21 With-Profits Fund  
**Financial year ended** 31 December 2008  
**Units** £000

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

## Gross

<b>Form 51 - with-profits</b>	11	<b>89080</b>	<b>3196</b>		<b>92276</b>	<b>117077</b>
<b>Form 51 - non-profit</b>	12					
<b>Form 52</b>	13					
<b>Form 53 - linked</b>	14					
<b>Form 53 - non-linked</b>	15					
<b>Form 54 - linked</b>	16					
<b>Form 54 - non-linked</b>	17					
Total	18	<b>89080</b>	<b>3196</b>		<b>92276</b>	<b>117077</b>

## Reinsurance - external

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

## Reinsurance - intra-group

<b>Form 51 - with-profits</b>	31					
<b>Form 51 - non-profit</b>	32					
<b>Form 52</b>	33					
<b>Form 53 - linked</b>	34					
<b>Form 53 - non-linked</b>	35					
<b>Form 54 - linked</b>	36					
<b>Form 54 - non-linked</b>	37					
Total	38					

## Net of reinsurance

<b>Form 51 - with-profits</b>	41	<b>89080</b>	<b>3196</b>		<b>92276</b>	<b>117077</b>
<b>Form 51 - non-profit</b>	42					
<b>Form 52</b>	43					
<b>Form 53 - linked</b>	44					
<b>Form 53 - non-linked</b>	45					
<b>Form 54 - linked</b>	46					
<b>Form 54 - non-linked</b>	47					
Total	48	<b>89080</b>	<b>3196</b>		<b>92276</b>	<b>117077</b>

## Long-term insurance business : Summary of mathematical reserves

**Name of insurer** Canada Life Limited  
**Total business / subfund** 22 Manulife Fund  
**Financial year ended** 31 December 2008  
**Units** £000

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

## Gross

<b>Form 51 - with-profits</b>	11	<b>168920</b>	<b>3963</b>		<b>172883</b>	<b>188333</b>
<b>Form 51 - non-profit</b>	12	<b>4187</b>	<b>52471</b>		<b>56658</b>	<b>61715</b>
<b>Form 52</b>	13					
<b>Form 53 - linked</b>	14					
<b>Form 53 - non-linked</b>	15					
<b>Form 54 - linked</b>	16					
<b>Form 54 - non-linked</b>	17					
<b>Total</b>	<b>18</b>	<b>173107</b>	<b>56434</b>		<b>229541</b>	<b>250048</b>

## Reinsurance - external

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

## Reinsurance - intra-group

<b>Form 51 - with-profits</b>	31					
<b>Form 51 - non-profit</b>	32					
<b>Form 52</b>	33					
<b>Form 53 - linked</b>	34					
<b>Form 53 - non-linked</b>	35					
<b>Form 54 - linked</b>	36					
<b>Form 54 - non-linked</b>	37					
<b>Total</b>	<b>38</b>					

## Net of reinsurance

<b>Form 51 - with-profits</b>	41	<b>168920</b>	<b>3963</b>		<b>172883</b>	<b>188333</b>
<b>Form 51 - non-profit</b>	42	<b>4187</b>	<b>52471</b>		<b>56658</b>	<b>61715</b>
<b>Form 52</b>	43					
<b>Form 53 - linked</b>	44					
<b>Form 53 - non-linked</b>	45					
<b>Form 54 - linked</b>	46					
<b>Form 54 - non-linked</b>	47					
<b>Total</b>	<b>48</b>	<b>173107</b>	<b>56434</b>		<b>229541</b>	<b>250048</b>

## Long-term insurance business : Summary of mathematical reserves

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000

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

## Gross

<b>Form 51 - with-profits</b>	11				
<b>Form 51 - non-profit</b>	12	<b>700512</b>	<b>10275840</b>	<b>10976352</b>	<b>10740686</b>
<b>Form 52</b>	13				
<b>Form 53 - linked</b>	14	<b>1720251</b>	<b>1938437</b>	<b>3658688</b>	<b>4469018</b>
<b>Form 53 - non-linked</b>	15	<b>(83876)</b>	<b>40944</b>	<b>(42932)</b>	<b>(19005)</b>
<b>Form 54 - linked</b>	16	<b>89888</b>	<b>1236042</b>	<b>1325930</b>	<b>1318855</b>
<b>Form 54 - non-linked</b>	17				
<b>Total</b>	18	<b>2426775</b>	<b>13491263</b>	<b>15918038</b>	<b>16509554</b>

## Reinsurance - external

<b>Form 51 - with-profits</b>	21				
<b>Form 51 - non-profit</b>	22	<b>122168</b>	<b>39177</b>	<b>161345</b>	<b>144091</b>
<b>Form 52</b>	23				
<b>Form 53 - linked</b>	24				
<b>Form 53 - non-linked</b>	25				
<b>Form 54 - linked</b>	26	<b>14383</b>	<b>(11370)</b>	<b>3013</b>	<b>17261</b>
<b>Form 54 - non-linked</b>	27				
<b>Total</b>	28	<b>136551</b>	<b>27807</b>	<b>164358</b>	<b>161352</b>

## Reinsurance - intra-group

<b>Form 51 - with-profits</b>	31				
<b>Form 51 - non-profit</b>	32	<b>1870</b>	<b>1452677</b>	<b>1454547</b>	<b>1217514</b>
<b>Form 52</b>	33				
<b>Form 53 - linked</b>	34				
<b>Form 53 - non-linked</b>	35				
<b>Form 54 - linked</b>	36		<b>216698</b>	<b>216698</b>	<b>167460</b>
<b>Form 54 - non-linked</b>	37				
<b>Total</b>	38	<b>1870</b>	<b>1669375</b>	<b>1671245</b>	<b>1384974</b>

## Net of reinsurance

<b>Form 51 - with-profits</b>	41				
<b>Form 51 - non-profit</b>	42	<b>576474</b>	<b>8783986</b>	<b>9360460</b>	<b>9379081</b>
<b>Form 52</b>	43				
<b>Form 53 - linked</b>	44	<b>1720251</b>	<b>1938437</b>	<b>3658688</b>	<b>4469018</b>
<b>Form 53 - non-linked</b>	45	<b>(83876)</b>	<b>40944</b>	<b>(42932)</b>	<b>(19005)</b>
<b>Form 54 - linked</b>	46	<b>75505</b>	<b>1030714</b>	<b>1106219</b>	<b>1134134</b>
<b>Form 54 - non-linked</b>	47				
<b>Total</b>	48	<b>2288354</b>	<b>11794081</b>	<b>14082435</b>	<b>14963228</b>

Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profits contracts)

**Name of insurer** Canada Life Limited  
**Total business / subfund** 21 With-Profits Fund  
**Financial year ended** 31 December 2008  
**Units** £000  
**UK Life / Gross**

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
100	Conventional whole life with-profits OB	3536	27936	190				21317
120	Conventional endowment with-profits OB savings	1517	16464	620				13025
125	Conventional endowment with-profits OB target cash	6067	65855	2481				52101
165	Conventional deferred annuity with-profits	17	27					191
205	Miscellaneous conventional with-profits		32484	131				559
210	Additional reserves with-profits OB (Reserve for Capital Gains Tax)							1887
210	Additional reserves with-profits OB (expense reserve)							



Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profits contracts)

**Name of insurer** Canada Life Limited  
**Total business / subfund** 22 Manulife Fund  
**Financial year ended** 31 December 2008  
**Units** £000  
**UK Life / Gross**

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
100	Conventional whole life with-profits OB	19015	211720	1659				126505
120	Conventional endowment with-profits OB savings	1958	25586	453				24082
125	Conventional endowment with-profits OB target cash	1305	17051	302				16048
185	Group conventional pensions endowment with-profits	1	1					2
205	Miscellaneous conventional with-profits		35824	223				545
210	Additional reserves with-profits OB (expense reserve)							1700
210	Additional reserves with-profits OB (reserve for Capital Gains Tax)							38
300	Regular Premium non-profit W/ EA OB (whole life)	807	5729	87				3966
395	Annuity non-profit (PLA)	44	27					220
435	Miscellaneous non-profit	2553	84553	613				1

Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profits contracts)

**Name of insurer** Canada Life Limited  
**Total business / subfund** 22 Manulife Fund  
**Financial year ended** 31 December 2008  
**Units** £000  
**UK Pension / Gross**

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
165	Conventional deferred annuity with-profits	262	242					3924
175	Group conventional deferred annuity with-profits	43	3					39
315	Individual deposit administration non-profit	2626		203				35350
325	Level Term Assurance	157	3848	13				65
390	Deferred Annuity Non-profit	2	1					10
400	Annuity non-profit (CPA)	2258	1851					17046

Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profits contracts)

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000  
**UK Life / Gross**

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
300	Regular premium non-profit WEA OB (Whole Life)	2549	17794	176				24964
300	Regular premium non-profit WEA OB (Lifetime Protector)	974	182521	3143				24555
300	Regular premium non-profit WEA OB (Endowment)	730	4579	56				7428
360	Income protection non-profit (guaranteed premiums)	21539	370484	10429				13939
385	Income protection claims in payment	385	3684					29781
395	Annuity non-profit (PLA) (Pre 1992)	177	190					1390
395	Annuity non-profit (PLA) (Post 1992)	1395	7868					64937
395	Annuity non-profit (PLA - SSFA)	41	1080					2942
410	Group Life (Unapproved)	145953	4162340	12009				3209
420	Group Income Protection	360684	8646015	127724				30769
425	Group Income Protection claims in payment	3385	66658					461526
435	Miscellaneous non-profit	73488	5109056	16987				10909
440	Additional reserves non-profit OB (End't review)							1102
440	Additional reserves non-profit OB (Tax)							23061

Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profits contracts)

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000  
**UK Life / Reinsurance ceded external**

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
360	Income protection non-profit (guaranteed premiums)		111846	2689				198
385	Income protection claims in payment		784					5138
410	Group Life (Unapproved)		32686	183				93
425	Group Income Protection claims in payment		18320					115146
435	Miscellaneous non-profit		3006687	8552				1593



Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profits contracts)

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000  
**UK Pension / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
315	Individual deposit administration non-profit (with GAO)	346		18				6674
315	Individual deposit administration non-profit (Keybond)							16129
315	Individual deposit administration non-profit (Other)	119		7				3422
320	Group deposit administration non-profit (Exec with GAO)	144						2809
320	Group deposit administration non-profit (Exec without GAO)							147
390	Deferred Annuity non-profit	440	1621					19002
400	Annuity non-profit (CPA)	138967	410742					5061180
400	Annuity non-profit (CPA - PALAL)	49441	138557					1570323
400	Annuity non-profit (CPA - Equitable)	110387	263819					3154980
400	Annuity non-profit (CPA AGA)	3542	21379					111246
405	Annuity non-profit (CPA Impaired Life)	432	2825					38442
410	Group Life (Approved)	2434217	235563765	283460				104033
411	Annuity non-profit (DIS)	1189	6727					153907
435	Miscellaneous non-profit	3059	129796	547				2706
440	Additional reserves non-profit OB (GAO reserve)							4345







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

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000  
**UK Life / Gross**

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
700	Life property linked single premium	13328	167663		167685	167685	1181	168866
700	Life property linked single premium (EPB/IPB)	4731	96515		115036	115036	2	115038
700	Life property linked single premium (SIB&FIB)	20930	1109791		1091378	1091378	(87725)	1003653
700	Life property linked single premium (SSFA)				22021	22021	(120)	21901
710	Life property linked whole life regular premium	27525	1205906	8473	90407	90205	1156	91361
715	Life property linked endowment regular premium - savings	16069	260107	4522	128690	128664	1036	129700
720	Life property linked endowment regular premium - target cash	17318	328129	7203	102248	102248	564	102812
795	Miscellaneous property linked	17	72		3014	3014	30	3044

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

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000  
**UK Pension / Gross**

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
725	Individual pensions property linked (with GAO)	6769	78609	440	85537	82261	303	82564
735	Group money purchase pensions property linked (Exec with GAO)	1241	16556	32	18469	17539	769	18308
800	Additional reserves property linked (GAO)				46138	46138	17449	63587
725	Individual pensions property linked (Keybond)				16632	16632	504	17136
725	Individual pensions property linked (Other)	139268	1144793	20962	1379123	1354358	17836	1372194
735	Group money purchase pensions property linked (Exec with GAO)	7592	287575	1230	88790	83934	4659	88593
755	Trustee Investment Plan	204	113432		27340	27051	(826)	26225
725	Individual pensions property linked (AGA)	9			173263	173263	25	173288
735	Group money purchase pensions property linked	3575	7345	437	11081	10501	35	10536
735	Group money purchase pensions property linked (GRA)	461		345	13899	13304		13304
735	Group money purchase pensions property linked (Staff Pens)				112892	112892		112892
795	Miscellaneous property linked (part)	27			398	398		398
795	Miscellaneous property linked	11	178		166	166	190	356

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

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 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
901	Income protection claims in payment (RPI)	19	344		3290	3290		3290
901	Income protection claims in payment (NAEI)	8	89		752	752		752
902	Group Income Protection claims in payment (RPI )	732	14238		65602	65602		65602
902	Group Income Protection claims in payment (LPI )	181	3912		20244	20244		20244

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

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000  
**UK Life / Reinsurance ceded external**

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
901	Income protection claims in payment (RPI)		120		1138	1138		1138
901	Income protection claims in payment (NAEI)		11		226	226		226
902	Group Income Protection claims in payment (RPI )		1504		8699	8699		8699
902	Group Income Protection claims in payment (LPI )		649		4320	4320		4320

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

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000  
**UK Pension / Gross**

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
905	Index linked annuity (CPA) (LPI)	823	2386		59991	59991		59991
905	Index linked annuity (CPA) (RPI)	2463	10201		212229	212229		212229
905	Index linked annuity (CPA - PALAL) (LPI)	229	995		19394	19394		19394
905	Index linked annuity (CPA - PALAL) (RPI)	503	11493		152385	152385		152385
905	Index linked annuity (CPA - Equitable) (LPI)	879	1040		19088	19088		19088
905	Index linked annuity (CPA - Equitable) (RPI)	8815	37088		549600	549600		549600
905	Index linked annuity (CPA - Equitable) (PIA)	281	1266		16528	16528		16528
905	Index linked annuity (DIS) (LPI)	418	2850		81932	81932		81932
905	Index linked annuity (DIS) (RPI)	640	4618		124406	124406		124406
905	Index linked annuity (CPA Impaired) (RPI)	5	20		369	369		369
905	Index linked annuity (CPA Impaired) (LPI)	2	7		120	120		120

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

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000  
**UK Pension / Reinsurance ceded external**

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
905	Index linked annuity (CPA - Equitable) (LPI)		260		(498)	(498)		(498)
905	Index linked annuity (CPA - Equitable) (RPI)		9272		(10773)	(10773)		(10773)
905	Index linked annuity (CPA - Equitable) (PIA)		317		(343)	(343)		(343)
905	Index linked annuity (CPA Impaired) (RPI)		10		184	184		184
905	Index linked annuity (CPA Impaired) (LPI)		4		60	60		60

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

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000  
**UK Pension / Reinsurance ceded intra-group**

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
905	Index linked annuity (CPA - PALAL) (LPI)		398		7714	7714		7714
905	Index linked annuity (CPA - PALAL) (RPI)		4598		60759	60759		60759
905	Index linked annuity (CPA - Equitable) (LPI)		161		4826	4826		4826
905	Index linked annuity (CPA - Equitable) (RPI)		5721		139209	139209		139209
905	Index linked annuity (CPA - Equitable) (PIA)		196		4190	4190		4190

Long-term insurance business : Unit prices for internal linked funds

Name of insurer Canada Life Limited

Total business

Financial year ended 31 December 2008

Units £000

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit management charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
Canada Life Managed Pension Fund	14 - individual pension - other managed fund	718585	CLMF044P2A	1.25	4.5985	3.6572	(20.47)
Multiple Investment Pension Fund	12 - individual pension - balanced managed fund	524779	CLMF809P4A	1.00	47.7465	37.5265	(21.40)
Canada Life Defensive Managed Life Fund	03 - life - defensive managed fund	220798	CLMF360L4A	0.35	1.4596	1.2540	(14.08)
Canada Life Managed Life Fund	04 - life - other managed fund	194147	CLMF051L2A	1.25	13.8314	11.4264	(17.39)
UK Property Life Fund	07 - life - property	116950	CLMF306L4A	0.35	10.4954	7.4675	(28.85)
Multiple Investment Life Fund	02 - life - balanced managed fund	138491	CLMF309L3A	1.00	18.7468	14.7179	(21.49)
Money Life Fund	04 - life - other managed fund	154025	CLMF305L3A	1.00	5.0755	5.2654	3.74

Long-term insurance business : Index linked business

**Name of insurer** Canada Life Limited  
**Total business**  
**Financial year ended** 31 December 2008  
**Units** £000

Value of assets	Mean Term
1	2

## Analysis of assets

<b>Approved variable interest securities</b>	11	<b>727782</b>	<b>10.54</b>
<b>Other variable interest securities</b>	12	<b>96929</b>	<b>14.39</b>
<b>Approved fixed interest securities</b>	13	<b>133363</b>	<b>15.95</b>
<b>Other fixed interest securities</b>	14	<b>85257</b>	<b>8.93</b>
<b>Cash and deposits</b>	15	<b>15170</b>	
<b>Equity index derivatives</b>	16		
<b>Inflation swaps</b>	17	<b>3489</b>	
<b>Other assets</b>	18	<b>44229</b>	
<b>Variation margin</b>	19		
Total (11 to 19)	20	<b>1106219</b>	

## Credit rating of other fixed interest and other variable interest securities

<b>AAA/Aaa</b>	31	<b>19018</b>	<b>16.79</b>
<b>AA/Aa</b>	32	<b>39211</b>	<b>10.61</b>
<b>A/A</b>	33	<b>103171</b>	<b>11.07</b>
<b>BBB/Baa</b>	34	<b>20787</b>	<b>12.61</b>
<b>BB/Ba</b>	35		
<b>B/B</b>	36		
<b>CCC/Caa</b>	37		
<b>Other (including unrated)</b>	38		
Total other fixed interest and other variable interest securities	39	<b>182186</b>	<b>11.74</b>

Long-term insurance business: Analysis of valuation interest rate

**Name of insurer** Canada Life Limited  
**Subfund** 21 With-Profits Fund  
**Financial year ended** 31 December 2008  
**Units** £000

Product group 1	Net mathematical reserves 2	Net valuation interest rate 3	Gross valuation interest rate 4	Risk adjusted yield on matching assets 5
<b>UK L&amp;GA Form 51 WP Assurances</b>	<b>88790</b>	<b>2.59</b>	<b>3.24</b>	<b>3.48</b>
<b>Misc</b>	<b>5084</b>	<b>n/a</b>	<b>n/a</b>	<b>4.80</b>
<b>Total</b>	<b>93874</b>			





Long-term insurance business : Distribution of surplus

**Name of insurer** Canada Life Limited  
**Total business / subfund** 10 Summary  
**Financial year ended** 31 December 2008  
**Units** £000

Financial y ear 1	Previous y ear 2
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Valuation result

<b>Fund carried forward</b>	11	<b>14577897</b>	<b>15513542</b>
<b>Bonus payments in anticipation of a surplus</b>	12		
<b>Transfer to non-technical account</b>	13	<b>75000</b>	<b>200000</b>
<b>Transfer to other funds / parts of funds</b>	14		
<b>Subtotal (11 to 14)</b>	15	<b>14652897</b>	<b>15713543</b>
<b>Mathematical reserves</b>	21	<b>14404250</b>	<b>15330354</b>
<b>Surplus including contingencies and other reserves held towards the capital requirements (deficiency) (15-21)</b>	29	<b>248647</b>	<b>383190</b>

Composition of surplus

<b>Balance brought forward</b>	31	<b>161606</b>	<b>355598</b>
<b>Transfer from non-technical account</b>	32		
<b>Transfer from other funds / parts of fund</b>	33		
<b>Surplus arising since the last valuation</b>	34	<b>87041</b>	<b>27592</b>
<b>Total</b>	39	<b>248647</b>	<b>383190</b>

Distribution of surplus

<b>Bonus paid in anticipation of a surplus</b>	41		
<b>Cash bonuses</b>	42	<b>120</b>	<b>133</b>
<b>Reversionary bonuses</b>	43	<b>3002</b>	<b>3750</b>
<b>Other bonuses</b>	44	<b>8710</b>	<b>17700</b>
<b>Premium reductions</b>	45		
<b>Total allocated to policyholders (41 to 45)</b>	46	<b>11832</b>	<b>21583</b>
<b>Net transfer out of fund / part of fund</b>	47	<b>75000</b>	<b>200000</b>
<b>Total distributed surplus (46+47)</b>	48	<b>86832</b>	<b>221583</b>
<b>Surplus carried forward</b>	49	<b>161815</b>	<b>161608</b>
<b>Total (48+49)</b>	59	<b>248647</b>	<b>383190</b>

Percentage of distributed surplus allocated to policy holders

<b>Current year</b>	61		
<b>Current year - 1</b>	62		
<b>Current year - 2</b>	63		
<b>Current year - 3</b>	64		

Long-term insurance business : Distribution of surplus

**Name of insurer** Canada Life Limited  
**Total business / subfund** 21 With-Profits Fund  
**Financial year ended** 31 December 2008  
**Units** £000

Financial y ear 1	Previous y ear 2
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Valuation result

<b>Fund carried forward</b>	11	<b>110091</b>	<b>141534</b>
<b>Bonus payments in anticipation of a surplus</b>	12		
<b>Transfer to non-technical account</b>	13		
<b>Transfer to other funds / parts of funds</b>	14		
<b>Subtotal (11 to 14)</b>	15	<b>110091</b>	<b>141534</b>
<b>Mathematical reserves</b>	21	<b>92275</b>	<b>117078</b>
<b>Surplus including contingencies and other reserves held towards the capital requirements (deficiency) (15-21)</b>	29	<b>17816</b>	<b>24456</b>

Composition of surplus

<b>Balance brought forward</b>	31	<b>11756</b>	<b>11660</b>
<b>Transfer from non-technical account</b>	32		
<b>Transfer from other funds / parts of fund</b>	33		
<b>Surplus arising since the last valuation</b>	34	<b>6060</b>	<b>12796</b>
<b>Total</b>	39	<b>17816</b>	<b>24456</b>

Distribution of surplus

<b>Bonus paid in anticipation of a surplus</b>	41		
<b>Cash bonuses</b>	42		
<b>Reversionary bonuses</b>	43	<b>1597</b>	<b>2000</b>
<b>Other bonuses</b>	44	<b>4417</b>	<b>10700</b>
<b>Premium reductions</b>	45		
<b>Total allocated to policyholders (41 to 45)</b>	46	<b>6014</b>	<b>12700</b>
<b>Net transfer out of fund / part of fund</b>	47		
<b>Total distributed surplus (46+47)</b>	48	<b>6014</b>	<b>12700</b>
<b>Surplus carried forward</b>	49	<b>11802</b>	<b>11756</b>
<b>Total (48+49)</b>	59	<b>17816</b>	<b>24456</b>

Percentage of distributed surplus allocated to policy holders

<b>Current year</b>	61	<b>100.00</b>	<b>100.00</b>
<b>Current year - 1</b>	62	<b>100.00</b>	<b>100.00</b>
<b>Current year - 2</b>	63	<b>100.00</b>	<b>100.00</b>
<b>Current year - 3</b>	64	<b>100.00</b>	<b>100.00</b>

Long-term insurance business : Distribution of surplus

**Name of insurer** Canada Life Limited  
**Total business / subfund** 22 Manulife Fund  
**Financial year ended** 31 December 2008  
**Units** £000

Financial y ear 1	Previous y ear 2
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Valuation result

<b>Fund carried forward</b>	11	<b>248200</b>	<b>271602</b>
<b>Bonus payments in anticipation of a surplus</b>	12		
<b>Transfer to non-technical account</b>	13		
<b>Transfer to other funds / parts of funds</b>	14		
<b>Subtotal (11 to 14)</b>	15	<b>248200</b>	<b>271602</b>
<b>Mathematical reserves</b>	21	<b>229540</b>	<b>250049</b>
<b>Surplus including contingencies and other reserves held towards the capital requirements (deficiency) (15-21)</b>	29	<b>18660</b>	<b>21554</b>

Composition of surplus

<b>Balance brought forward</b>	31	<b>12670</b>	<b>12085</b>
<b>Transfer from non-technical account</b>	32		
<b>Transfer from other funds / parts of fund</b>	33		
<b>Surplus arising since the last valuation</b>	34	<b>5990</b>	<b>9469</b>
<b>Total</b>	39	<b>18660</b>	<b>21554</b>

Distribution of surplus

<b>Bonus paid in anticipation of a surplus</b>	41		
<b>Cash bonuses</b>	42	<b>120</b>	<b>133</b>
<b>Reversionary bonuses</b>	43	<b>1405</b>	<b>1750</b>
<b>Other bonuses</b>	44	<b>4293</b>	<b>7000</b>
<b>Premium reductions</b>	45		
<b>Total allocated to policyholders (41 to 45)</b>	46	<b>5818</b>	<b>8883</b>
<b>Net transfer out of fund / part of fund</b>	47		
<b>Total distributed surplus (46+47)</b>	48	<b>5818</b>	<b>8883</b>
<b>Surplus carried forward</b>	49	<b>12842</b>	<b>12671</b>
<b>Total (48+49)</b>	59	<b>18660</b>	<b>21554</b>

Percentage of distributed surplus allocated to policy holders

<b>Current year</b>	61	<b>100.00</b>	<b>100.00</b>
<b>Current year - 1</b>	62	<b>100.00</b>	<b>100.00</b>
<b>Current year - 2</b>	63	<b>100.00</b>	<b>100.00</b>
<b>Current year - 3</b>	64	<b>100.00</b>	<b>100.00</b>

Long-term insurance business : Distribution of surplus

**Name of insurer** Canada Life Limited  
**Total business / subfund** 31 Non-Profit Fund  
**Financial year ended** 31 December 2008  
**Units** £000

Financial y ear 1	Previous y ear 2
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Valuation result

<b>Fund carried forward</b>	11	<b>14219606</b>	<b>15100407</b>
<b>Bonus payments in anticipation of a surplus</b>	12		
<b>Transfer to non-technical account</b>	13	<b>75000</b>	<b>200000</b>
<b>Transfer to other funds / parts of funds</b>	14		
<b>Subtotal (11 to 14)</b>	15	<b>14294606</b>	<b>15300407</b>
<b>Mathematical reserves</b>	21	<b>14082435</b>	<b>14963227</b>
<b>Surplus including contingencies and other reserves held towards the capital requirements (deficiency) (15-21)</b>	29	<b>212171</b>	<b>337181</b>

Composition of surplus

<b>Balance brought forward</b>	31	<b>137180</b>	<b>331853</b>
<b>Transfer from non-technical account</b>	32		
<b>Transfer from other funds / parts of fund</b>	33		
<b>Surplus arising since the last valuation</b>	34	<b>74991</b>	<b>5328</b>
<b>Total</b>	39	<b>212171</b>	<b>337181</b>

Distribution of surplus

<b>Bonus paid in anticipation of a surplus</b>	41		
<b>Cash bonuses</b>	42		
<b>Reversionary bonuses</b>	43		
<b>Other bonuses</b>	44		
<b>Premium reductions</b>	45		
<b>Total allocated to policyholders (41 to 45)</b>	46		
<b>Net transfer out of fund / part of fund</b>	47	<b>75000</b>	<b>200000</b>
<b>Total distributed surplus (46+47)</b>	48	<b>75000</b>	<b>200000</b>
<b>Surplus carried forward</b>	49	<b>137171</b>	<b>137181</b>
<b>Total (48+49)</b>	59	<b>212171</b>	<b>337181</b>

Percentage of distributed surplus allocated to policy holders

<b>Current year</b>	61		
<b>Current year - 1</b>	62		
<b>Current year - 2</b>	63		
<b>Current year - 3</b>	64		

Long-term insurance business : With-profits pay outs on maturity (normal retirement)

**Name of insurer** Canada Life Limited  
**Original insurer** UK Branch of Canada Life Assurance Company  
**Date of maturity value / open market option** 01 March 2009

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	7161	341		CWP	N	
Endowment assurance	15	12035	236		CWP	N	
Endowment assurance	20	21365	2117		CWP	N	
Endowment assurance	25	38194	7392		CWP	N	
Regular premium pension	5	n/a	n/a		n/a	n/a	
Regular premium pension	10	n/a	n/a		n/a	n/a	
Regular premium pension	15	n/a	n/a		n/a	n/a	
Regular premium pension	20	n/a	n/a		n/a	n/a	
Single premium pension	5	n/a	n/a		n/a	n/a	
Single premium pension	10	n/a	n/a		n/a	n/a	
Single premium pension	15	n/a	n/a		n/a	n/a	
Single premium pension	20	n/a	n/a		n/a	n/a	

Long-term insurance business : With-profits pay outs on surrender

**Name of insurer** Canada Life Limited  
**Original insurer** UK Branch of Canada Life Assurance Company  
**Date of surrender value** 01 March 2009

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a		n/a	n/a	
Endowment assurance	10	4808	117		CWP	N	
Endowment assurance	15	9353	93		CWP	N	
Endowment assurance	20	18184	948		CWP	N	
With-profits bond	2	n/a	n/a		n/a	n/a	
With-profits bond	3	n/a	n/a		n/a	n/a	
With-profits bond	5	n/a	n/a		n/a	n/a	
With-profits bond	10	n/a	n/a		n/a	n/a	
Single premium pension	2	n/a	n/a		n/a	n/a	
Single premium pension	3	n/a	n/a		n/a	n/a	
Single premium pension	5	n/a	n/a		n/a	n/a	
Single premium pension	10	n/a	n/a		n/a	n/a	

Long-term insurance business : With-profits pay outs on maturity (normal retirement)

**Name of insurer** Canada Life Limited  
**Original insurer** UK Branch of The Manufacturers Life Assurance Company  
**Date of maturity value / open market option** 01 March 2009

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	n/a	n/a		n/a	n/a	
Endowment assurance	15	n/a	n/a		n/a	n/a	
Endowment assurance	20	24200	2593		CWP	N	
Endowment assurance	25	40620	5902		CWP	N	
Regular premium pension	5	n/a	n/a		n/a	n/a	
Regular premium pension	10	n/a	n/a		n/a	n/a	
Regular premium pension	15	n/a	n/a		n/a	n/a	
Regular premium pension	20	n/a	n/a		n/a	n/a	
Single premium pension	5	n/a	n/a		n/a	n/a	
Single premium pension	10	n/a	n/a		n/a	n/a	
Single premium pension	15	n/a	n/a		n/a	n/a	
Single premium pension	20	n/a	n/a		n/a	n/a	

Long-term insurance business : With-profits pay outs on surrender

**Name of insurer** Canada Life Limited  
**Original insurer** UK Branch of The Manufacturers Life Assurance Company  
**Date of surrender value** 01 March 2009

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a		n/a	n/a	
Endowment assurance	10	n/a	n/a		n/a	n/a	
Endowment assurance	15	n/a	n/a		n/a	n/a	
Endowment assurance	20	21990	1245		CWP	N	
With-profits bond	2	n/a	n/a		n/a	n/a	
With-profits bond	3	n/a	n/a		n/a	n/a	
With-profits bond	5	n/a	n/a		n/a	n/a	
With-profits bond	10	n/a	n/a		n/a	n/a	
Single premium pension	2	n/a	n/a		n/a	n/a	
Single premium pension	3	n/a	n/a		n/a	n/a	
Single premium pension	5	n/a	n/a		n/a	n/a	
Single premium pension	10	n/a	n/a		n/a	n/a	

## Long-term insurance capital requirement

Name of insurer Canada Life Limited

Global business

Financial year ended 31 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%	239629323	121010472		120739	115808
Classes I (other), II and IX	13	0.15%	536265	172495	0.50	405	473
Classes I (other), II and IX	14	0.3%	3142230	1409229		4750	5295
Classes III, VII and VIII	15	0.3%	2098606	2098606	1.00	6296	5994
Total	16		245406424	124690802		132190	127570

## Insurance health risk and life protection reinsurance capital component

Class IV supplementary classes 1 and 2 and life protection reinsurance	21					10110	8625
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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%	10756590	9263420	0.86	92634	93111
Classes III, VII and VIII (investment risk)	33	1%	1666116	1460788	0.88	14608	15370
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%	90267	90267	1.00	903	1284
Classes III, VII and VIII (other)	35	25%				2018	1795
Class IV (other)	36	1%	634467	497362	0.85	5393	5725
Class V	37	1%					
Class VI	38	1%					
Total	39					115556	117285

## Insurance market risk capital component

Life protection and permanent health reinsurance	41	0%					
Classes I (other), II and IX	42	3%	10756590	9263420	0.86	277903	279332
Classes III, VII and VIII (investment risk)	43	3%	1666116	1460788	0.88	43824	46109
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%	90267	90267			
Classes III, VII and VIII (other)	45	0%	3095415	3095415			
Class IV (other)	46	3%	634467	497362	0.85	16179	17176
Class V	47	0%					
Class VI	48	3%					
Total	49		16242855	14407252		337905	342617

Long term insurance capital requirement	51					595760	596097
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RETURNS UNDER THE ACCOUNTS AND STATEMENTS RULES

SUPPLEMENTARY NOTES TO THE FORMS AS SET OUT IN APPENDICIES 9.1 TO 9.3

CANADA LIFE LIMITED

GLOBAL BUSINESS

FINANCIAL YEAR ENDED 31 DECEMBER 2008

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

	<i>2008</i>
	<i>£'000s</i>
Form 13.01.89	607,640
Form 13.89	16,822,809
Sub total	<u>17,430,449</u>
Form 14.11	14,415,961
Form 14.12	120
Form 14.49	2,119,847
Form 15.69	330,000
Sub total	<u>16,875,928</u>
Net admissible assets	564,521
Reconciled by:	
Subordinated loan capital	<u>330,000</u>
Total capital resources after deductions	<u><u>894,521</u></u>

**\*0306\* Financial reinsurance - ceded for long-term insurance business**

The financial reinsurance in line 92 consists of the two treaties described as 2 and 3 of paragraph 9(2) of Appendix 9.4. There is no reinsurance offset for these treaties. The amounts of the contingent liabilities for repayment to the reinsured are the same as commutation values at the end of the financial year in question. These are respectively £40m and £60m less repayments of £77.3m. These treaties are with connected parties.

**\*0310\* Details of valuation differences between the return and the values used for external reporting purposes**

	<i>2008</i>
	<i>£'000</i>
<i>Negative valuation differences</i>	
Mortgage valuation difference - reserves	(14,438)
<i>Positive valuation differences</i>	
Financial reinsurance - ceded	22,704
Mortgage valuation difference - assets	14,623
Negative sterling reserves on investment contracts	<u>61,269</u>
Total valuation differences	<u><u>84,159</u></u>

**\*0313\* Reconciliation of profit and loss account and other reserves to the profit and loss retained on Form 16**

	2008
	£'000s
Form 3.12	495,308
Shareholder fund opening equity	(283,624)
Form 3.11	14,250
Form 3.33	(2,500)
Statutory accounts technical reserves	(229,418)
	<hr/>
Form 16.59	<u>(5,984)</u>

**\*1304\* and \*1310\* Amount receivable and payable**

Amounts due to and from any one person have been offset where appropriate in accordance with generally accepted accounting principles.

**\*1305\* and \*1319\* Maximum permitted counterparty limits**

The investment guidelines operated by the company limit exposure to any one counterparty by establishing limits for each type. These limits apply subject to being within the individual and aggregated limits set out in the market and counterparty limits in Chapter 2.1 of INSPRU.

For money market investments (deposits and certificates of deposit) the maximum permitted investment is £90 million for an AA-/A1 rated counterparty.

For fixed income securities, the maximum permitted investment in the non-par funds in a single bond issuer (including directly related corporate entities) is £175 million for each AAA rated, £140 million for a AA rated issuer, £90 million for a single A rated issuer, £30 million for a BBB rated issuer and £7.5 million for a BB rated issuer. Investment in Government securities is not restricted. Specific increases in these limits have been approved for bond holdings for a list of 24 issuers.

For listed UK equity securities, the maximum permitted investment in each issuer is 10% of the equity portfolio.

**\*1311\* Change to comparative figures**

The comparatives for Lines 93 and 101 had been amended to reflect inadmissible assets directly held within Line 93. These were shown in Line 101 in the 2007 FSA return.

**\*1315\* and \*1317\* Particulars of other assets included at line 83**

The balance at line 83 (Total other than long term business fund) is made up of an outstanding transfer of cash from the long term business fund to the other than long term business fund (£75.0m) and a current tax debtor (£3.3m).

The balance at line 83 (Total long term business fund) represents amounts owed to the company by Phoenix and London Assurance Limited arising from the transfer of business in 2005 (£2.2m), amounts owed to the company due to outstanding broker settlements (£11.2m), tax debtors (£0.5m) and other debtors (£0.3m).

**\*1318\* Details of "other asset adjustments" included at line 101 of the reconciliation**

The balances at Line 101 include the following:-

	2008
	£'000
Long Term business fund	
Tax debtor reclassified to other creditors	5,276
Long term business fund valuation differences	<u>5,276</u>
Other than long term business fund	
Net off asset/liability: cash transfer to other than long term business fund	<u>(75,000)</u>
Other than long term business fund valuation differences	<u>(75,000)</u>

**\*1401\* and \*1501\* Provision for adverse changes**

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

**\*1402\* and \*1502\* Liabilities**

- (a) There are no charges over the assets of the company.
- (b) There is a provision for current tax liability (line 37 form 14).

In 2008 there is no provision for liability to tax on capital gains within the internal linked funds which might arise if the company disposed of its assets (line 21 form 14). There is also no provision in line 21 form 15 for potential tax on realization of equities and unit trusts in shareholders' fund.

- (c) Statutory regulation of financial services applies to the company in common with other UK life assurance businesses. The risk exists of loss, including potential penalties for non-compliance with regulatory requirements of FSA, for example in respect of the sale and administration of individual Life and pension policies.

In January 2005 Canada Life Limited took a decision to time bar future mortgage endowment mis-selling complaints, as permitted by FSA rules, after one year from the next round of annual re-projection letters mailing to clients. The time bar is now in full force on all policies that were in a position to be time-barred as per FSA guidance. The company continues to review all complaints received and if appropriate compensates any client not covered by time bar rules. It continues to be the company's view that there will be no material effect either on the company's ability to meet the expectations of policyholders or on shareholders.

- (d) The company has no guarantees, indemnities or other contractual commitments affected other than in the ordinary course of insurance business in respect of related companies. However, following the receipt of a "dear CEO" letter dated 24 August 2004 from the FSA, the company set up a project to make a risk based review of current and legacy products to ensure that these are being managed and reserved for consistent with contractual obligations and other undertakings given. By 2006 the company completed the product review and identified potential issues. By the end of 2008, the remedial actions, including any redress to be paid, were completed for all issues. However for two pension related issues further investigations and remedial actions will continue in 2009. A prudent provision of £1.9m (2007: £3.0m) has been made for redress payments to clients and other costs.
- (e) The company is not aware of any fundamental uncertainties affecting its business.

**\*1405\* Details of "other adjustments to liabilities" included at line 74 of the reconciliation**

The balance at Line 74 includes the following:-

	2008
	£'000
Financial reinsurance - ceded	22,704
Negative sterling reserves on investment contracts	61,269
Deferred income reserve	57,401
Deferred tax in respect of profit recognition timing differences	(10,661)
Tax debtor reclassified to other creditors	5,276
Mortgage valuation difference	(14,438)
Cash transfer to other than long term business fund	(75,000)
	<hr/>
Total valuation differences	<u>46,551</u>

**\*1411\* Change to comparative figures**

The comparatives for Lines 72 to 76 for the subfunds have been removed in accordance with instruction 8 to Form 14.

**\*1601\* and \*4005\* Basis of conversion of foreign currency**

Assets and liabilities held in foreign currencies are translated into sterling at the mid market rates ruling on the Valuation Date. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

**\*1611\* Change to comparative figures**

The comparatives for lines 15, 16, 18 & 19 have been restated to breakdown value re-adjustments between unrealised and realised gains and losses.

**\*1700\* Form 17**

The only fund that holds derivative contracts is the Non-Profit fund. Form 17 has therefore not been prepared for asset categories 1, 13 and 14.

**\*4002\* Other income and expenditure**

Other income of £20.7m comprises Management Fee income resulting from the management fee rebate on unit trust investments, surrender charges earned on with-profits policies and other miscellaneous income received.

Other expenditure comprises cash bonuses, terminal bonuses on claims, and bad debt provisions.

At 1 January 2004, the company effectively merged the Pensions Non-Profit Fund (PNPF) with the Non-Profit Fund (NPF), see note \*4010\*. These two funds are presented in aggregate for 2007 and 2008 as the Non-Profit Fund.

**\*4004\* Pension Non-Profit Fund**

With effect from 1 January 2004, in accordance with the terms of the court approved scheme of transfer sanctioned on 5 July 1999, all existing policies included in the Pensions Non-Profit Fund were re-allocated to the Non-Profit Fund.

The terms of the above scheme of transfer also require that pension policies of the With-Profits Fund will be re-allocated to the Pensions Non-Profit Fund when they vest and become pensions in payment, and assets to meet this liability will be transferred to the Pensions Non-Profit Fund. With effect from 1 January 2004, any such policies are immediately then re-allocated to the Non-Profit Fund and the associated assets are transferred to that fund at the same time. Any such transfers are disclosed in the Claims Incurred line of the With-Profits Fund revenue account and in the Earned Premiums line of the Non-Profit Fund.

**\*4006\* Apportionment between different funds**

The With-Profits Fund is a ring fenced standalone fund, which is charged expenses and taxed on the basis of its Schedule 2C transfer to the company on 5 November 1999. The Manulife Fund is a ring fenced standalone fund, which is charged expenses and taxed on the basis of its Schedule 2C transfer to the Canada Life Group on 30 September 1995. The remainder of the UK funds pay for all other expenses and taxation. Expenses are divided between lines of business by means of a functional cost allocation, based on inputs made by the managers of the various cost centres.

**\*4008\* Provision of management services**

Throughout 2008, the company had an arrangement with companies higher up in the group, The Canada Life Assurance Company and CLFIS (U.K.) Limited, for the provision of management services to the company.

**\*4009\* Connected-party transactions**

CLFIS (U.K.) Limited, a related group undertaking, recharged to the company a management charge during the year totalling £75.4m.

The company has two reinsurance agreements with a related company, Canada Life International Re Limited. These are on an indemnity reinsurance basis and are in respect of two annuity books. The first agreement is to reinsure 40% of the annuity business acquired from Phoenix & London Assurance Limited in 2005. The second agreement is to reinsure a percentage of the annuity business acquired from The Equitable Life Assurance Society in 2006. In 2008 the percentage reinsured was increased from 15% to 25%. Included in reinsurance premiums for the year is £406.6m paid under this reinsurance agreement as a result of the increase.

Contingent loans are in place with Canada Life International Re Limited and The Canada Life Assurance Company. The amounts of the contingent liabilities for repayment to the reinsured are the same as commutation values at the end of the financial year in question. These are respectively £40m and £60m less repayments of £77.3m.

**\*4401\* Basis of valuation of assets**

Assets disclosed on Form 44 have been valued on the basis prescribed by GENPRU 1.3, as follows:

- (i) Freehold and leasehold properties have been valued at open market value.
- (ii) Government securities, debenture stocks and listed equities have been valued at bid prices.
- (iii) Unit trusts have been valued at the lower of bid and cancellation price.
- (iv) Interest bearing deposits and other assets have been valued at cost.

**\*4406\* Difference between assets held to match linked liabilities and the net asset value of internal linked funds**

	2008
	£'000
Form 13 Line 59 Assets held to match linked liabilities: property linked	3,672,084
Less Liabilities of the property linked funds	<u>13,396</u>
Form 44 row 34 Net unit liability	<u><u>3,658,688</u></u>

**\*4502\* Other income and expenditure**

Other income comprises of £19.8m of Management Fee income mainly arising from the management fee rebate on unit trust investments.

**\*4702\*            Approximations used to apportion between product codes**

The annuity in payment (CPA) product can be either non-linked, index-linked or a combination of both. As a result, the product is split between product codes 400 and 905.

The annuity in payment (CPA impaired life) product can be either non-linked, index-linked or a combination of both. As a result, the product is split between product codes 405 and 905.

The premium is split using the proportion of reserves in each product code.

The number of policyholders is split based on the type of the first sub-policy record (as each annuity benefit type under the policy is split into different sub-policy records). Where this first record is index-linked, the policyholder is counted in the total for code 905; otherwise, the policyholder is counted in the total for code 400 (CPA)/ code 405 (CPA impaired life).

**\*4806\*            Assets used to calculate the investment returns in column 5**

Assets which would appear in columns 1 and 2 and have been held during the year have been used to calculate the investment returns shown in lines 21-29.

**\*4901\*            Rating Agencies**

The ratings used are based on the company's internal ratings. These are determined based on our own assessment of the credit quality of the asset set by external ratings agencies (published ratings from Standard and Poor's Corporation, Moody's Investors Service and Fitch Ratings).

**\*5102\*            Approximations used to determine number of policyholders**

Please refer to note 4702 for details of how the number of policyholders has been calculated for the annuity in payment (CPA) product (code 400). This approach has also been used for the Group death in service dependants' annuities (code 411).

**\*5103\*            Details of miscellaneous products**

Code 205 - Miscellaneous conventional with-profit policies includes products with non-profit riders and products with a reserve for policy exit options as detailed in the Abstract of Valuation Report.

Code 435 - Miscellaneous non-profit includes regular premium non-profit endowment policies, level term assurances, decreasing term assurances, income protection policies with reviewable premiums, group critical illness policies, deferred annuity non-profit policies and protection rider benefits on non-participating policies.

**\*5104\*            Approximations used to apportion between product codes**

In WPF and MPF approximations are used to apportion the business between product codes 120 (Conventional Endowment with profits OB savings) and 125 (Conventional Endowment with profits OB target cash). The split is done by assuming any policy with a rider sum assured up to 2 times the basic sum assured is target cash. The proportions have been rounded to the nearest 10%.

**\*5402\*            Approximations used to determine number of policyholders**

Please refer to note 4702 for details of how the number of policyholders has been calculated for the index-linked annuity in payment (CPA) product (code 905). The same approach has been taken for the index-linked annuity (DIS) product (code 905).

**RETURNS UNDER THE ACCOUNTS AND STATEMENTS RULES**

**STATEMENT OF INFORMATION ON DERIVATIVES REQUIRED BY RULE 9.29 OF THE INTERIM PRUDENTIAL SOURCEBOOK FOR INSURERS**

**CANADA LIFE LIMITED**

**GLOBAL BUSINESS**

**FINANCIAL YEAR ENDED 31 DECEMBER 2008**

The following investment guidelines are operated by the Company for the use of derivative contracts; and are recorded in the Company Derivatives Policy and Procedure Manual.

They may be used for the following purpose:

- To obtain exposure to upward movements in equity markets, whilst limiting the risk of downward movements.
- To obtain tax effective asset/liability matching
- To provide hedging of existing portfolios
- To provide tactical asset allocation, to reduce short term dealing costs.

Any use of derivatives is only undertaken after approval from the actuary appointed by the company to perform the actuarial function.

The Company will confine its derivatives use to the following products:

Currency forwards  
Futures  
Swaps  
Collars  
Options  
Caps Floors  
Structured Assets  
Swaptions

During 2008 the Company purchased a Collateralised Debt Obligation (CDO) which has been classified as a quasi-derivative. The investment was made as an effort to achieve greater portfolio diversification.

The derivatives policy at present further restricts the use of derivatives to the purchase of contracts with strike prices close to the current market level, and all derivatives are therefore reasonably likely to be exercised.

The Company was not party to any contracts, which at the time the contracts were entered into, were not reasonably likely to be exercised.

No derivative contracts or quasi derivatives were held at any time during the financial year which required a significant provision to be made under INSPRU 3.2.17R or the equivalent conditions for permitted derivative contracts in relation to linked business.

The company did not receive any fixed consideration for granting rights under derivatives or quasi derivatives during the year.

RETURNS UNDER THE ACCOUNTS AND STATEMENTS RULES

STATEMENT OF INFORMATION ON CONTROLLERS REQUIRED BY RULE 9.30 OF THE INTERIM PRUDENTIAL SOURCEBOOK FOR INSURERS

CANADA LIFE LIMITED

GLOBAL BUSINESS

FINANCIAL YEAR ENDED 31 DECEMBER 2008

(a) The following companies were controllers during the financial year:

- The Canada Life Group (U.K.) Limited, a limited UK company
- Canada Life International Holdings Limited, a Bermuda company
- Canada Life Capital Corporation Inc., incorporated in Canada
- The Canada Life Assurance Company, incorporated in Canada
- Canada Life Financial Corporation, incorporated in Canada
- The Great-West Life Assurance Company, incorporated in Canada
- Great-West Lifeco Inc, incorporated in Canada
- Power Financial Corporation, incorporated in Canada
- Power Corporation of Canada, incorporated in Canada

(b) Canada Life Limited was owned 100% by The Canada Life Group (U.K.) Limited at 31 December 2008; hence the latter was able to exercise 100% of the voting power at any general meeting of Canada Life Limited.

The Canada Life Group (U.K.) Limited was owned 100% by Canada Life International Holdings Limited at 31 December 2008; hence the latter was able to exercise 100% of the voting power at any general meeting of The Canada Life Group (U.K.) Limited.

Canada Life International Holdings Limited was owned 100% by Canada Life Capital Corporation Inc. at 31 December 2008; hence the latter was able to exercise 100% of the voting power at any general meeting of Canada Life International Holdings Limited.

Canada Life Capital Corporation Inc. was owned 100% by The Canada Life Assurance Company at 31 December 2008; hence the latter was able to exercise 100% of the voting power at any general meeting of Canada Life Capital Corporation Inc.

The Canada Life Assurance Company was owned 100% by Canada Life Financial Corporation at 31 December 2008; hence the latter was able to exercise 100% of the voting power at any general meeting of The Canada Life Assurance Company.

The Canada Life Financial Corporation was owned 100% by the Great-West Life Assurance Company at 31 December 2008; hence the latter was able to exercise 100% of the voting power at any general meeting of The Canada Life Financial Corporation.

The Great-West Life Assurance Company was owned 100% by Great-West Lifeco inc. at 31 December 2008; hence the latter was able to exercise 100% of the voting power at any general meeting of The Great-West Life Assurance Company.

Great-West Lifeco Inc. was owned 72.77% by Power Financial Corporation at 31 December 2008; hence the latter was able to exercise this portion of the voting power at any general meeting of The Great-West Lifeco Inc.

Power Financial Corporation was owned 66.4% by Power Corporation of Canada at 31 December 2008; hence the latter was able to exercise this portion of the voting power at any general meeting of Power Financial Corporation.

## CANADA LIFE LIMITED

### ABSTRACT OF VALUATION REPORT

At the valuation date, the business was divided into three funds which are referred to throughout this appendix and associated forms. The abbreviations used are as follows:

MPF Manulife Fund  
WPF With-Profits Fund  
NPF Non-Profit Fund

Pension policies of the WPF are re-allocated to a fourth fund, the Pensions Non-Profit Fund, when they vest. Assets to meet the liability arising are transferred at the same time. Both the policies and the assets are then immediately re-allocated to the NPF.

In the descriptions that follow 'Ex CLGB' refers to funds or products which were in the Canada Life Assurance Company of Great Britain Limited before 4<sup>th</sup> November 1999. 'Ex ALAC' refers to funds or products which were in the Albany Life Assurance Company Limited before the 4<sup>th</sup> November 1999. 'Ex Crown' refers to products which were transferred into Canada Life Limited during December 2000 from the former UK branch of Crown Life.

1. (1) The date to which the investigation relates is 31 December 2008.
- (2) The date of the previous investigation under rule 9.4 of IPRU(INS) was 31 December 2007.
- (3) No interim valuations have taken place.

**2. Significant changes to the product range during the financial year:**

An enhanced annuity product was introduced in March 2008. For certain medical conditions, subject to underwriting, a higher annuity is paid to a sub-standard life. The longevity risk is 50% reinsured with Hannover Re.

There have been no new bonus series for with-profit business during the year.

No products have been withdrawn.

There have been no changes to options or guarantees under existing products.

The MPF and the WPF with-profits funds are both closed to new business with the exception of incremental business.

### 3. Discretionary charges and benefits:

- (1) There are no products where a market value reduction can be applied.
- (2) There have been no changes to the premiums for Income Protection non-profit (reviewable premiums) over the year. There were an estimated 300 policies where a change was permitted with a total annual premium of £0.2m and total annual benefit of £8.1m.

The Group Protection policies are written as long term contracts which are reviewable every two years, when they are repriced. Of the business in force at the end of 2008, approximately £201m of annual premium was reviewed in 2008. The nature of this exercise involves re-assessing the experience of individual policies and significant levels of re-broking from intermediaries and therefore no meaningful figures are available.

There are no other non-linked protection policies with reviewable premiums.

- (3) The annualised interest rates added for non-profit deposit administration contracts are as follows:

Manulife Retirement Benefit Plan (Types A & B) – MRBP

Manulife Independent Pension Arrangement (Types A & B) – MIPA

1 January to 15 January 2008	7.20%
16 January to 15 February 2008	7.10%
16 February to 15 March 2008	7.05%
16 March to 15 April 2008	6.85%
16 April to 15 May 2008	6.75%
16 May to 15 June 2008	6.70%
16 June to 15 July 2008	6.65%
16 July to 15 August 2008	6.65%
16 August to 15 September 2008	6.65%
16 September to 15 October 2008	6.65%
16 October to 15 November 2008	6.65%
16 November to 15 December 2008	6.45%
16 December to 31 December 2008	4.60%

Building Society Indexed Flexible Retirement Plan Series 1, 2, 3 and 4

Building Society Indexed Senior Executive Retirement Plan

Building Society Indexed Flexible Retirement Bond:

1 January 2008 to 31 March 2008	7.25%
1 April 2008 to 31 May 2008	7.00%
1 June 2008 to 30 November 2008	6.75%
1 December 2008 to 31 December 2008	6.25%

Policies investing in the Deposit Administration Fund 5.25%

- (4) Service charges for linked policies were changed on 1 April 2008.

Where policy provisions state that service charges will not be increased, these were unchanged.

Where policy provisions state that service charges increase at the annual rate of increase in the Retail Price Index, the service charge was increased by 4.28% (subject to rounding).

Otherwise, service charges were increased in line with the annual increase in National Average Earnings from end of November 2007 to end of November 2008. The rate of increase was 4.50%, subject to rounding.

- (5) No changes to the basis for benefit charges on linked policies were made.
- (6) There have been changes to the net charge to the fund after rebate for the following funds:

Fund Name	Net charge to the fund after rebate (2008)	Net charge to the fund after rebate (2007)	Fund Size as at 31/12/08
<b>Canada Life</b>			
Balanced Managed	0.100	0.250	23.6
<b>Artemis</b>			
European Growth	0.900	0.750	0.3
Income	0.810	0.750	0.8
Strategic Bond	0.610	0.500	1.8
<b>F&amp;C</b>			
Stewardship Income	0.750	0.6875	3.0
<b>Fidelity</b>			
Multi Manager Growth	0.400	0.900	1.9
Multi Manager Income	0.400	0.900	3.0
<b>JPM</b>			
UK High Income	0.375	0.625	3.3

There is no accumulating with-profits business.

- (7) a) For the linked funds the unit pricing and creation details are as follows:
- i) The number of units in issue is compared to the number of units allocated to policies daily. If this reveals that there will be a deficiency of units in issue, units are immediately created to cover this difference. Units are cancelled if there is an excess of units in issue.
- ii) & iii) The method for determining the unit prices depends on the long term trend in the number of units in the fund and the net inflow or outflow on the fund when the above comparisons are done. If the long term trend is increasing, units are created or cancelled at the creation price. This is obtained by taking the total of the assets in the fund valued at their quoted purchase price, with an allowance for expenses to cover market spread and dealing costs reduced by any tax charge and any accrued management fee still in the fund. This total is divided by the number of units in issue to obtain the creation price. If we have large net outflows then the basis is moved down in stages from the quoted buying price to the quoted selling price of the fund's assets. In this case the allowance for dealing expenses described above will become a deduction from the price.

Units are allocated to policies at the offer price. This is the creation price divided by (1 - Initial Charge) and multiplied by (1 + Rounding) where applicable. The rounding charge is 1% for Life Series 1, 2, 3 and 4 and Pensions Series 1 and 2 and 0% elsewhere. The offer price is rounded to the nearer 1/10p except where a rounding charge applies where it is rounded to the lower 1/10p. Units are de-allocated at the bid price, which is offer price multiplied by (1 - Initial Charge) rounded to the nearer 1/10p.

iv) The pricing operation of Internal Linked funds is decided upon and effected daily at 12 pm. For any closed markets, the latest available price is used. Prices are loaded into the Investment system shortly after and valuations are completed 2-3hrs later. There are no valuation adjustments performed between the striking of prices and production of valuations.

Private Portfolio Funds are valued quarterly and are on a Net Asset Value basis.

b) One price is struck daily for each series in each fund. All policies in a particular series will use that series' price for any unit transactions on that price date. Different series in a fund are priced differently but this is simply a function of the relevant management charge for that series.

c) Where assets are units in a collective scheme, the price used will be the latest published price for the underlying scheme. Any trading activity by Canada Life must take place before the scheme's price is struck, i.e. before the valuation point of the scheme (typically one hour before).

- (8) Tax for realised gains charged at the appropriate rate (see below). The capital gains tax reserve for past years' annual deemed disposal is then held outside the fund.

For Private Portfolio Funds, tax is calculated as and when assets are realised. The tax so calculated is deducted from the funds on a quarterly basis.

The following tax rates applied during 2008:-

Realised Gains	20.00%
Unrealised Gains	
- Deemed Realised	20.00%
- Equities	20.00%
- Property	20.00%
- Gilts	20.00%

- (9) At each valuation the indexed unrealised gain in the life funds is calculated. Provision is made, as per the rates in section (8).

The provision for tax in respect of linked funds other than private portfolio funds is calculated on a daily basis on the movements in unrealised gains, allowing for indexation allowances. Tax is calculated on deemed disposals of Unit Trusts with the gains being spread over 7 years at a company level, in accordance with the Taxation of Chargeable Gains Act 1992. Tax is calculated on indexed realised gains as and when assets are sold and the tax on unrealised gains adjusted accordingly.

For Private Portfolio Funds, tax is calculated as and when assets are realised. The tax so calculated is deducted from the funds on a quarterly basis.

- (10) Ex CLGB funds can purchase units in ten of Capita's unit trusts at bid price (so receiving a discount equal to the bid offer spread). This benefit is passed to the policyholders. Capita pays CLGB a rebate of the management fee collected by Capita on the CLGB holdings in excess of 0.375% pa. CLGB then reduces its management fees on such holdings so that the sum of the management fee charged by CLGB and Capita on these holdings is equal to the published management fee for that series of units.

Ex ALAC funds can also purchase units in Capita, Merrill Lynch Investment Management, Scottish Value Management, Fidelity Investment Management Unit Trusts, JP Morgan, Schroder, Threadneedle, Arch Cru, Framlington, New Star, Invesco Perpetual, Gartmore, Investec, CF Midas, Irwin Mitchell, Foreign & Colonial, Premier Snowdonia, M&G, Chartwell, Frenkel Topping, Premier Brunel, Jupiter, Artemis, Neptune and Insight The benefit of all discounts is passed to the funds. All rebates received in respect of units in collectives are credited to the respective funds. Purchases are at creation/NAV except at specified, and the gross charge and rebate are as follows:

Fund Name	Funds Buy At NAV/Creation price	Annual Management Charge	Rebate	Net charge to the fund after rebate
<b>CF Canada Life Unit Trusts</b>	%	% p.a.	% p.a.	% p.a.
International Managed	0.000	1.500	1.125	0.375
Standard CL UT Charge	0.000	1.500	1.125	0.375
Income	0.000	1.500	1.125	0.375
Pacific Basin	0.000	1.500	1.125	0.375
Japan	0.000	1.500	1.125	0.375
Europe	0.000	1.500	1.125	0.375
Balanced Managed	0.000	1.470	1.370	0.100
North American	0.000	1.500	1.125	0.375
<b>Black Rock</b>				
UK Special Sits	0.300	1.500	0.825	0.675
American Opps	0.000	1.500	0.825	0.675
Emerging Mkts	0.300	1.500	0.825	0.675
International Fixed Interest	0.300	1.000	0.550	0.450
Gold & General	0.000	1.750	0.875	0.875
UK Absolute Alpha	0.000	1.500	0.750	0.750
<b>SVM Unit Trusts</b>				
Continental European	0.000	1.500	1.000	0.500
UK Opportunities	0.000	1.500	1.000	0.500
<b>Fidelity Unit Trusts</b>				
Wealthbuilder	0.500	1.400	0.450	0.950
Managed. International	0.500	1.500	0.550	0.950
Europe	0.500	1.500	0.550	0.950
Global Special Situations	0.500	1.500	0.500	1.000
MM Income	0.500	1.000	0.600	0.400
MM Growth	0.500	1.000	0.600	0.400
American	0.500	1.500	0.550	0.950
Special Situations	1.500	1.500	0.500	1.000
Global Property	0.000	1.500	0.550	0.950
<b>JPMF</b>				
Europe	0.500	1.500	0.750	0.750
Asia	0.500	1.500	0.750	0.750
Cautious Total Return	0.250	1.250	0.625	0.625

Fund Name	Funds Buy At NAV/Creation price	Annual Management Charge	Rebate	Net charge to the fund after rebate
Natural Resources	0.500	1.500	0.750	0.750
UK High Income	0.500	1.000	0.625	0.375
<b>Schroder</b>				
UK Mid 250	0.250	1.500	0.550	0.950
Gilt & Fix. Int	0.250	0.500	0.000	0.500
UK Smaller Co's	0.250	1.500	0.550	0.950
Income Maximiser	0.250	1.500	0.550	0.950
Tokyo	0.250	1.500	0.550	0.950
Global Property	0.000	1.500	0.550	0.950
<b>Threadneedle</b>				
Emerging Market Bond	0.250	1.500	0.750	0.750
High Yield Bond	0.250	1.250	0.600	0.650
Euro Select	0.250	1.500	0.750	0.750
Strategic Bond	0.250	1.250	0.500	0.750
America Select	0.250	1.500	0.750	0.750
<b>Arch Cru</b>				
Income	0.250	1.350	0.750	0.600
Balanced Growth	0.250	1.350	0.750	0.600
International Managed	0.250	1.350	0.750	0.600
<b>Framlington</b>				
Equity Income	0.500	1.500	0.750	0.750
High Income	0.500	1.000	0.500	0.500
UK Select Opportunities	0.500	1.500	0.750	0.750
<b>New Star</b>				
Managed Distribution	0.000	1.250	0.625	0.625
Balanced Portfolio	0.000	1.500	0.750	0.750
Active Portfolio	0.000	1.500	0.750	0.750
Tactical	0.000	1.500	0.750	0.750
Higher Income	0.000	1.500	0.750	0.750
<b>Premier Snowdonia</b>				
Balanced	0.000	1.500	0.500	1.000
Growth	0.000	1.500	0.500	1.000
Income	0.000	1.500	0.500	1.000
Property	0.000	1.500	0.500	1.000
<b>M&amp;G</b>				
Global Basics	0.000	1.500	0.750	0.750
Recovery	0.000	1.500	0.750	0.750
Optimal Income	0.250	1.300	0.625	0.675
<b>Chartwell</b>				
Balanced Income	0.000	1.000	0.100	0.900
Strategic Growth	0.000	1.000	0.100	0.900
Cautious Growth	0.000	1.000	0.100	0.900
<b>Invesco Perpetual</b>				
UK Growth	0.000	1.500	0.750	0.750
Income	0.000	1.500	0.750	0.750
World Income	0.000	1.500	0.600	0.900
Corporate Bond	0.000	1.000	0.350	0.650
High Income	0.000	1.500	0.750	0.750
Monthly Income Plus	0.000	1.250	0.600	0.650
Fund Name	Funds Buy At	Annual	Rebate	Net charge to

	NAV/Creation price	Management Charge		the fund after rebate
<b>Gartmore</b>				
China Opportunities	0.000	1.500	0.750	0.750
Emerging Markets Opportunities	0.000	1.500	0.750	0.750
High Yield Corporate Bond	0.000	1.000	0.500	0.500
UK Index	0.000	0.500	0.250	0.250
<b>Investec</b>				
Cautious Managed	0.500	1.250	0.625	0.625
Managed Distribution	0.500	1.250	0.625	0.625
UK Smaller Companies	0.500	1.500	0.750	0.750
Global Free Enterprise	0.500	1.500	0.750	0.750
<b>CF Midas</b>				
Balanced Growth	0.000	1.400	0.650	0.750
Balanced Income	0.000	1.400	0.650	0.750
<b>Foreign &amp; Colonial</b>				
MM Cautious	0.000	1.250	0.625	0.625
MM Balanced	0.000	1.250	0.625	0.625
MM Growth	0.000	1.250	0.625	0.625
MM Distribution	0.000	1.250	0.625	0.625
UK Opportunities	0.000	1.500	0.750	0.750
Stewardship Income	0.000	1.500	0.750	0.750
Lifestyle Balanced	0.000	1.500	0.500	1.000
Lifestyle Cautious	0.000	1.500	0.500	1.000
Lifestyle Defensive	0.000	1.500	0.500	1.000
Lifestyle Growth	0.000	1.500	0.500	1.000
<b>Neptune</b>				
Balanced	0.000	1.600	0.800	0.800
Income	0.000	1.600	0.800	0.800
India	0.000	1.750	0.875	0.875
Us Opportunities	0.000	1.600	0.800	0.800
<b>Insight</b>				
Diversified Target Return	0.000	1.500	0.850	0.6500
<b>Premier Brunel</b>				
Growth	0.000	1.500	0.500	1.000
Distribution	0.000	1.500	0.500	1.000
<b>Jupiter</b>				
Income Trust	0.500	1.500	0.750	0.750
Emerging European Opportunities	0.500	1.500	0.750	0.750
UK Growth	0.500	1.500	0.750	0.750
<b>Artemis</b>				
European Growth	0.000	1.650	0.750	0.900
Income	0.000	1.560	0.750	0.810
Strategic Bond	0.000	1.110	0.500	0.610

#### 4. Valuation basis (other than for special reserves)

Details of the elements of the valuation basis are set out in sections 4(2), 4(3), 4(4) 4(5), 4(6), 4(7) and 4(9).

- (1) The valuation method used is dependent on the type of business:

##### Individual Business

Individual non-linked business has been valued by discounting the future benefits together with the explicit reserve for future maintenance expenses.

For Annuities in payment acquired from Equitable Life in 2006 (CPA-ELAS), the benefits valued are those payable having allowed for an analogous non-reinsurance financing arrangement (ANFA). This arrangement passes 13.3% of the longevity risk for this block of business to J.P.Morgan Ventures Corporation until June 2048. As a result the benefits valued for 13.3% of this block of business until June 2048 are the fixed payments that are payable in accordance with the terms of the ANFA.

Individual with-profits business in WPF, MPF and Crown business has been valued using a prospective net premium method of valuation.

Individual linked business is valued by holding the total of:

- the unit liability equal to the funded value of units, and
- a non-unit liability equal to the present value of future non-unit outgo (e.g. claims in excess of the unit fund and expenses) over the present value of future non-unit income (e.g. charges).

The total liability for each contract is then constrained to be at least as great as the surrender (or transfer) value.

The reserve for Manulife Individual Deposit Administration contracts (MIPA and MRBP) has been taken as the value of the accumulated premiums plus present value of future maintenance expenses, investment expenses and renewal commission. There is also an allowance for the shortfall between the rate being credited, which is based on the rate charged by Building Societies and the rate being earned on the assets.

## Group Business

Group Life reserves consist of an unexpired premium reserve, an IBNR claims reserve and a premium deficiency reserve (PDR).

Group Income Protection reserves consist of six components – unexpired premium reserve, IBNR claims reserve, claims in payment, incurred but not yet accepted claims (IBNYA), declined claims and a reinsurance credit risk reserve.

Group Critical Illness reserves consist of an unexpired premium reserve, IBNR claims reserve and IBNYA claims reserve.

The gross unexpired premium reserve is a proportion of the annualised office premium net of commission. The proportion is the ratio of the number of days outstanding to the next premium payable date over the total number of days in the year. The ceded UPR is calculated in a similar way, but based on the reinsurance premiums.

The gross/ceded IBNR claims provision for Group Life is 1.6 months worth of the gross/ceded annualised in-force premium. For Group IP the gross/ceded IBNR claims provision is 93% of 6.5/12 of the average of the last 6 months in-force gross/ceded annual premium. The 93% allows for commission. For Group CI the gross/ceded IBNR claims provision is 94% of 4/12 of the average of the last 6 months in-force gross/ceded annual premium. The 94% allows for commission.

For Group Life a PDR is held to anticipate the valuation strain on setting up Widows Death In Service Pension annuities.

Group IP claims in payment, IBNYA and declined reserves are calculated using termination rates based on the CMIR12 termination tables. The reserves are calculated by discounting the expected future claim payments and expenses, allowing for any deferral of claim payment. For recent declined claims, the assumption is that the chance of the claim being paid depends on time since declinature and status declined from, with individual percentages used for claims with legal challenges to declinature (subject to a minimum of 28%). The percentages used are:

Time since change in status:	1-6 months	7-12 months	13-24 months	25 months+
Declined: from In payment	28%	12%	4.8%	0%
Declined: from Outstanding	9%	2.4%	1.2%	0%
Claimant recovered	6%	2.4%	1.2%	0%

For IBNYA claims all those within six weeks of the end of the deferred period are reserved for and the assumption is that 78% are expected to be paid. Claim expenses used are £897 per annum with an additional initial expense of £1,993 for IBNYA claims. A reserve for reinsurance credit risk is held. This is calculated as the cost of 0.1% reduction in the interest rate used for the ceded claims reserves.

- (2) The interest rates (net of taxes) used to value the liabilities are shown below:

### Non-Profit Fund

<b>Life Business: product group</b>	<b>This valuation</b>	<b>Last valuation</b>
Whole Life and Endowment Assurances	2.72%	3.04%
Whole Life (Lifetime Protector)	2.72%	3.04%
Term Assurances	2.72%	3.04%
Annuities in payment (PLA)	2.94%	3.93%
Income protection policies	3.41%	3.80%
Income protection claims in payment	7.46%	4.45%
Group PHI claims	5.36%	5.24%
Annuities in payment (PLA – SSFA)	2.17%	3.44%
Property linked policies	2.20%	3.00%

<b>Pensions Business: product group</b>	<b>This valuation</b>	<b>Last valuation</b>
Annuities in payment (CPA)	5.89%	5.31%
Annuities in payment (CPA - PALAL)	5.51%	5.29%
Annuities in payment (CPA – ELAS)	5.53%	5.13%
Enhanced Annuities	4.22%	n/a
Annuities in payment (DIS)	4.65%	4.82%
Deferred annuity non-profit	3.20%	4.34%
Deposit administration policies	2.76%	3.75%
Annuities in payment (CPA AGA Lifetime)	2.76%	4.85%
Annuities in payment (CPA AGA 5yr)	2.66%	4.85%
Property linked policies	2.76%	3.75%

Negative Reserves (all policy types)	4.04%	4.88%
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### With-Profits Fund

<b>Product group</b>	<b>This valuation</b>	<b>Last valuation</b>
With-profit assurances (life)	2.59%	3.69%

### Manulife Fund

<b>Product group</b>	<b>This valuation</b>	<b>Last valuation</b>
With-profit assurances (life)	2.78%	3.68%
Expense Reserve	1.61%	1.09%
Individual deposit administration	3.13%	5.73%
Annuities in payment (CPA)	5.58%	5.58%

- (3) Based on Moody's Corporate Default and Recovery Rates, 1920-2007 study, the yield on other fixed interest (corporate) bonds has been reduced to allow for default risk by the weighted average of the following basis point deductions (the weightings being the proportion by market value of bonds within each rating):

Rating	Basis point deduction
AAA	20
AA	50
A	75
BBB	100
BB	300
Below BB	300

The ratings used are based on the company's internal ratings. These are determined based on our own assessment of the credit quality of the asset and take into consideration the ratings set by external ratings agencies. The resulting weighted average basis point deduction from the yield obtained by using internal ratings is at least as great for the overall corporate bond portfolio as that which would be obtained by using the ratings of Standard and Poor's Corporation where available.

The yield on mortgages has been reduced by 43.75 basis points to allow for default risk.

The yield on property has been reduced to 92.5% of the rental yield to allow for default risk.

The dividend and earnings yields on equities has been reduced to 92.5% of the yield to allow for default risk.

Individual with-profit and non-profit business in the WPF and MPF use the above asset default deductions increased by 25% for policyholder optionality.

In addition to the reduction in yields to allow for default risk as set out above, an additional reserve of £20m is being held.

- (4) The mortality bases used are shown in the table overleaf.
- (5) The morbidity bases used are shown in the table overleaf.

**Mortality bases used (section 4)**

<b>Life business in the Non-Profit Fund: product group</b>	<b>This valuation</b>	<b>Last valuation</b>
Whole Life (Lifetime Protector)	Males: 93.5% AM92 Select with adjustments M1 Females: 104.5% AF92 Select with adjustments M1	Males: 93.5% AM92 Select with adjustments M1 Females: 104.5% AF92 Select with adjustments M1
Whole Life and Endowment Assurances	Males: 88% AM92 Select Females: 104.5% AF92 Select	Males: 88% AM92 Select Females: 104.5% AF92 Select
Term Assurances	Males: 77% TM92 Select with adjustments M1 Females: 90.8% TF92 Select with adjustments M1	Males: 77% TM92 Select with adjustments M1 Females: 93.5% TF92 Select with adjustments M1
Annuities in payment (PLA)	Males: 78% IM00 U2008mc with variable floor* Females: 86% IF00 75% of U2008mc with variable floor*	Males: 81% IM00 U2007mc with variable floor** Females: 86% IF00 75% of U2007mc with variable floor**
Annuities in payment (PLA – SSFA)	Males: 80% IMA92 U2009mc Females: 80% IFA92 U2009	Males: 80% IMA92 U2008mc Females: 80% IFA92 U2008
Property linked policies	Males: 85.25% AM92 Sel Females: 118.25% AF92 Sel	Males: 85% AM92 Sel Females: 110% AM92 Sel

<b>Pensions Business in the Non-Profit Fund: product group</b>	<b>This valuation</b>	<b>Last valuation</b>
Annuities in payment (CPA) ***	Males: 96% PNMA00 U2008mc with variable floor* Females: 84% PNFA00 75% of U2008mc with variable floor* both with adjustments M2	Males: 93% PNMA00 U2007mc with variable floor** Females: 80% PNFA00 75% of U2007mc with variable floor** both with adjustments M2
Annuities in payment (CPA - PALAL)	Males: 96% PNMA00 U2008mc with variable floor* Females: 84% PNFA00 75% of U2008mc with variable floor* both with adjustments M2	Males: 93% PNMA00 U2007mc with variable floor** Females: 80% PNFA00 75% of U2007mc with variable floor** both with adjustments M2
Annuities in payment (CPA – ELAS)	Males: 82% of PNMA00 U2008mc with variable floor* Females: 84% of PNFA00 75% of U2008mc with variable floor*	Males: 75% of PNMA00 U2007mc with variable floor** Females: 71% of PNFA00 75% of U2007mc with variable floor**
Annuities in payment (DIS)	Males: 102% PNMA00 U2008mc with variable floor* Females: 102% PNFA00 75% of U2008mc with variable floor*	Males: 96% PNMA00 U2007mc with variable floor** Females: 96% PNFA00 75% of U2007mc with variable floor**
Deferred annuity non-profit	Interest Only	Interest Only
Deposit administration policies and property linked policies	Males: 85.25% AM92 Sel Females: 118.25% AF92 Sel	Males: 85% AM92 Sel Females: 110% AF92 Sel
Annuities in payment (CPA AGA)	Males: 96% PNMA00 U2008mc with variable floor* Females: 84% PNFA00 U2008mc with variable floor* both with adjustments M2	Males: 93% PNMA00 U2007mc with variable floor** Females: 80% PNFA00 U2007mc with variable floor** both with adjustments M2

\* The cohort improvements apply from 2000 and the annual rate of improvement is subject to a floor from 2007 as follows:

Males 2% at ages less than or equal to 70 reducing linearly to 0.5% at age 120  
Females 1.5% at ages less than or equal to 80 reducing linearly to 0.5% at age 120

\*\* The cohort improvements apply from 2000 and the annual rate of improvement is subject to a floor from 2007 as follows:

Males 2% at ages less than or equal to 70 reducing to 0.5% at age 90 and above  
Females 1.5% at ages less than or equal to 70 reducing to 0.5% at age 90 and above

\*\*\* Enhanced annuities in payment use the same mortality tables with an additional adjustment for specific medical conditions based on a Weibull distribution being applied on a case by case basis

<b>All Other Business: product group</b>	<b>This valuation</b>	<b>Last valuation</b>
With-profit Whole Life and Endowments	Males: 77% AM92 Ult Females: 120% AF92 Ult	Males: 90% AM92 Ult Females: 120% AF92 Ult
Term Assurances in Manulife Fund	Males: 66% TM92 Ult Females: 77% TF92 Ult	Males: 70% TM92 Ult Females: 85% TF92 Ult

Details of the adjustments referred to in the table are as follows:

**Adjustments M1:**

The rates are adjusted by multiplying by the following factors depending on smoker status and occupational class:

Smoker status	Factor
Non-smoker	80%
Smoker	175%
Not Known	100%

Occupational class	Factor
1	70%
2	80%
3	100%
4	110%
5	145%
Not Known	100%

**Adjustments M2:**

The following selection factors apply for both sexes for the first 5 years of the annuity (i.e. the mortality rate is multiplied by the factor below):

Year 1: 30%	Year 4: 80%
Year 2: 60%	Year 5: 90%
Year 3: 70%	Year 6 onwards: 100%

### Expectation of life for the annuities in payment

Product group		This valuation		Last valuation	
		Expectation of life at age 65	Expectation of life at age 75	Expectation of life at age 65	Expectation of life at age 75
Annuities in payment (PLA)	Males	24.8	15.4	23.7	14.8
	Females	26.1	16.3	25.3	15.9
Annuities in payment (PLA – SSFA)	Males	24.3	15.5	24.2	15.5
	Females	25.1	15.8	25.1	15.7
Annuities in payment (CPA)	Males	23.3	14.6	22.8	14.4
	Females	26.0	16.8	25.5	16.7
Annuities in payment (CPA – PALAL)	Males	23.3	14.6	22.8	14.4
	Females	26.0	16.8	25.5	16.7
Annuities in Payment (CPA – ELAS)	Males	24.4	15.2	24.3	15.4
	Females	25.8	16.4	26.3	17.2
Annuities in payment (DIS)	Males	22.5	13.6	22.3	13.7
	Females	24.1	15.0	23.8	15.0
Annuities in payment (CPA – AGA)	Males	23.3	14.6	22.8	14.4
	Females	26.0	16.8	25.5	16.7

For the Enhanced annuity product expectations of life are calculated on a case by case basis.

**Morbidity bases used (section 5)**

<b>Non-Profit Fund: product group</b>	<b>This valuation</b>	<b>Last valuation</b>
Individual income protection (guaranteed premiums)	Inception rates: 48% of CMIR12 for 4 week deferred 90% of CMIR12 for 13 week deferred 186% of CMIR12 for 26 week deferred 318% of CMIR12 for 52 week deferred all with adjustments M3  Termination rates: as for claims in payment (below)	Inception rates: 48% of CMIR12 for 4 week deferred 90% of CMIR12 for 13 week deferred 186% of CMIR12 for 26 week deferred 318% of CMIR12 for 52 week deferred all with adjustments M3  Termination rates: as for claims in payment (below)
Individual income protection (reviewable premiums)	Inception rates: 120% of guaranteed premium rates (above) for both male and female lives with adjustments M3 Termination rates: as for claims in payment (below)	Inception rates: 120% of guaranteed premium rates (above) for both male and female lives with adjustments M3 Termination rates: as for claims in payment (below)
Group income protection claims in payment (termination rates)	56% of CMIR12 in the first two years 72% of CMIR12 thereafter plus 72% of CMIR12 mortality	32% of CMIR12 in the first two years 80% of CMIR12 thereafter plus 64% of CMIR12 mortality
Individual income protection claims in payment (termination rates)	72% of CMIR12 in the first two years 72% of CMIR12 thereafter	72% of CMIR12 in the first two years 72% of CMIR12 thereafter

**Adjustments M3**

The percentage of the CMIR12 table is adjusted by multiplying by the following factors depending on smoker status and occupational class:

Smoker status	Factor
Non-smoker	90%
Smoker	120%

Occupational class	Factor for deferred 4 and 13 weeks	Factor for deferred 26 and 52 weeks
1	90%	90%
2	120%	120%
3	190%	175%
4	290%	275%
5	390%	375%

50% is added to the resulting percentage if the policyholder is female.

(6) Details of the expense basis are as follows:

The assumption for annual expenses per policy are as follows:

Class	Financial year 2008 £pa	Financial year 2007 £pa
CWP savings endowment (With-Profit Fund Policies)	35.69	34.65
CWP target cash endowment (With-Profit Fund Policies)	35.69	34.65
CWP pensions (With-Profit Fund Policies)	35.69	34.65
CWP savings endowment (Manulife Fund policies)	42.98	41.72
CWP target cash endowment (Manulife Fund policies)	42.98	41.72
CWP pensions (Manulife Fund policies)	42.98	41.72
Term assurance	25.30	24.30
Critical illness	25.30	24.30
Income protection	38.70	37.20
Individual income protection claims in payment	1,222.00	1,175.00
Group income protection claims in payment	897.00	862.40
Annuity	17.40	16.70
UL Bonds SIB/FIB	43.00	32.60
UL Bonds (other)	35.70	32.60
UL savings endowment	48.10	44.00
UL target cash endowment	48.10	44.00
UL regular premium pension	35.00	35.00
UL single premium pension	25.00	25.00
UL group regular premium pension	136.00	130.00
UL group single premium pension	136.00	130.00

The Company has no UWP business.

Non-Profit Fund linked products which are paid-up have the same expense assumption as the corresponding single premium product.

All amounts are quoted before tax relief, if applicable, where tax relief is at 20%. The assumption for future expense inflation is 3.5% per annum for all business.

The valuation interest rates in 4(2) are reduced by the following allowance for investment expenses:

Allowance for investment expenses (basis points)	Financial year 2008	Financial year 2007
Annuity business	5.5	5.0
Other non-linked and index-linked business	5.5	5.0
All property linked business	10.0	7.5
With-Profit Fund business	11.0	11.0
Manulife Fund business	22.5	22.5

No Zillmer adjustments have been used.

For WPF the expense assumption was used to test the implicit allowance in the difference between net premium and gross premium and the allowance was found to be adequate, after allowing for regular bonuses. For MPF the allowance was not adequate, after allowing for regular bonuses, therefore an explicit expense reserve for the balance is held based on the above assumption.

- (7) Unit growth rates before management charges for linked business, gross and net of tax:

	Gross	Net
Linked business	4.75%	3.80%

Inflation rates assumed for future expenses and future increases in policy charges for unit-linked business:

	Expense Inflation	Policy charge inflation
Linked business	3.50%	3.50%

- (8) A net premium valuation is used for with-profits business which has implicit allowance for future bonuses.
- (9) Summary of the lapse, surrender and paid-up assumptions used

<b>Product</b>		<u>Average lapse rate for the policy years</u>			
		1-5	6-10	11-15	16-20
Level term	Lapse	10.2	9.0	4.4	4.4
Decreasing term	Lapse	10.2	9.0	4.4	4.4
Accelerated critical illness	Lapse	23.3	8.0	4.0	4.0
Income protection	Lapse	11.9	7.4	4.8	4.8

Notes:

- a) No allowance is made for lapses for unit linked or conventional with profits business. The Company has no UWP business.
- b) None of the above products can be surrendered nor can they be converted to paid-up status.

- (10) All material assumptions have been set out elsewhere.
- (11) The Company has purchased a series of swaptions to provide an interest hedge against the ex-ALAC and ex-CLGB GAO liabilities. The liability calculation for the GAOs does not take into account the existence of these “swaptions”.
- (12) The effect on mathematical reserves is £nil due to specified changes in valuation methodology as at the valuation date arising from changes in INSPRU valuation rules effective from 31 December 2006.

The effects of the changes were quantified in the 31 December 2006 FSA Return.

## 5. Options and guarantees

### (1) Guaranteed Annuity Options

#### Linked business

- (a) Details of the method used to value the Guaranteed Annuity Options is as follows:

A reserve of £55m has been set up in respect of liabilities which may arise in respect of guaranteed annuity rate contracts.

This is based on a prudent estimate of the strain at maturity produced by comparing the maturity value with the expected cost of providing the guaranteed rates in the contract. Where there is a positive strain it is assumed the policy holder will elect to take the guaranteed annuity and a reserve is set up equal to the discounted value of this strain.

The reserve held is the mean of the reserve calculated under each of 2,000 stochastically generated investment scenarios. The investment scenarios are market consistent to the forward gilt curve. The unit growth rate, the interest rate used in the cost of providing an annuity at maturity and the discount rate vary with the scenario. Other assumptions do not vary by scenario. The maturity value allows for future premiums at the current level and unit growth.

For the Senior Executive Retirement Plan, it is assumed that 100% of policyholders take the more onerous escalating annuity option and 12.5% of the maturity value as tax free cash, reducing to 5% of the maturity value after 20 years. For other products it is assumed that policyholders will take 15% of the maturity value as tax free cash, reducing to 5% of the maturity value after 20 years. This is in accordance with INSPRU 1.2.66G. No allowance is made for surrenders or policies becoming paid-up.

The cost of providing an annuity at maturity takes account of initial expenses of 0.75% of unit value, renewal expenses of £17.40 p.a. inflating at 3.5% p.a. and commission of 1.0% of unit value. For males, the post-retirement assumption is 96% of PNMA00 using medium cohort improvements with variable floor. For females, the post-retirement mortality assumption is 84% of PNFA00 using 75% medium cohort improvements with variable floor. The 75% medium cohort applies from 2000 and floors apply from 2007.

The expense reserve is matched by appropriate assets and the benefit reserve is mainly invested in appropriate units, apart from the reserve held to cover contracts which are currently invested in the non-linked building society or deposit funds. The GAO liability in respect of these holdings is shown as non-linked in Form 51.

(b) Details of the options are as follows:

ex-ALAC products (i) Product name	Flexible Retirement Plan (series 1-3) Flexible Retirement Bond Private Portfolio Retirement Bond	Senior Executive Retirement Plan (series 1)
(ii) Basic reserve	£66.1m	£18.2m
(iii) Spread of outstanding durations	<5 years: 44% 5-10 years: 34% 10 – 15 years: 18% over 15 years: 4%	<5 years: 44% 5-10 years: 35% 10 – 15 years: 19% over 15 years: 2%
(iv) Guarantee reserve	£29.3m	£16.6m
(v) Guaranteed annuity rate: % of fund per year for male aged 65	10%	11.1% if level annuity chosen 8.5% if escalating option chosen
(vi) increments allowed?	Yes	Yes
(vii) form of annuity	Level single life, guaranteed 5 years, payable monthly in advance	Level or escalating at 5% single life, no guarantee
(viii) retirement ages	60 to 75 (the GAO can be exercised at any time between the policyholder's 60 <sup>th</sup> and 75 <sup>th</sup> birthday)	60, 65 or 70 (the GAO can only be exercised at the policyholder's NRD)

ex-CLGB products (i) Product name	Unit Pension Builder (1973 and 1977 series) Personal Pension Builder (series 1) Personal Pension Bond (series 1)	Executive Pension Plan (1977 series) Executive Pension Plan (1981 series) Executive Pension Bond (1981 series)
(ii) Basic reserve	£23.5m	£2.2m
(iii) Spread of outstanding durations	<5 years: 28% 5-10 years: 29% 10 – 15 years: 30% over 15 years: 13%	<5 years: 39% 5-10 years: 34% 10 – 15 years: 20% over 15 years: 7%
(iv) Guarantee reserve	£8.8m	£0.6m
(v) Guaranteed annuity rate: % of fund per year for male aged 65	9.822%	9.092%
(vi) increments allowed?	Yes	Yes
(vii) form of annuity	Level single life	Level single life, guaranteed 5 years
(viii) retirement ages	50 – 75 (the GAO can be exercised at any time between the policyholder's 50 <sup>th</sup> and 75 <sup>th</sup> birthday)	50 – 75 (the GAO can only be exercised on a policyholder's birthday between ages 50 - 75)

For the ex-CLGB products, the policyholder has the option to convert the annuity to a different type priced on the same basis as the level single life option.

## With-profits business

There are 159 policies in the WPF that have guaranteed annuity options. The reserves for these options are £1.7m.

On both MPF and WPF most of the life contracts have various settlement options on maturity, death or surrender. These include the option to take the proceeds as a life annuity with a guaranteed period of 10 or 20 years and the option to take instalments for a fixed period. These were valued by applying swap costs at various terms and tenors to the maturity, surrender and death cashflows. The interest rate implied by the option included an allowance for mortality where appropriate. The take up rates assumed for the Concordia option were 2% for maturities and 1% for surrenders and deaths increasing by 0.5% and 0.25% per annum respectively. For other options a take up rate of 1% for maturities and 0.5% for surrenders and deaths increasing by 0.5% and 0.25% per annum respectively was used. The take-up rates assumed were based on company experience which is currently near 1% for Concordias and near zero for other policies. Our understanding of the tax position, for the non-Concordia options, is that the policyholder will be liable to pay income tax on the income component of the annuity and this was reflected in the take-up rates assumed.

(i) Product name	Concordia Endowments (in WPF)	Whole Life and Non-Concordia Endowments (in WPF)
(ii) Basic reserve (£000)	27,512	58,931
(iii) Spread of outstanding durations	<5 yrs: 64% 5-10 yrs: 24% >10 yrs: 12%	<5 yrs: 46% 5-10 yrs: 23% >10 yrs: 31%
(iv) Guarantee reserve	£57k	£247k
(v) Guaranteed annuity rate: % of fund per year for male aged 65	£10 per month per £1000 for 10 years fixed	8.84% (£7.37 per month per £1000)
(vi) Increments allowed?	No	No
(vii) form of annuity	10 year annuity certain	Various (immediate life annuity no guarantee period quoted)
(viii) retirement ages	not applicable – benefit at maturity or death of endowment policy	not applicable – benefit at maturity, death or surrender of policy

(i) Product name	Whole Life and Endowments in MPF (excluding the G77 rate series)
(ii) Basic reserve (£000)	43,737
(iii) Spread of outstanding durations	<5 yrs: 31% 5-10 yrs: 23% >10 yrs: 46%
(iv) Guarantee reserve	173k
(v) Guaranteed annuity rate: % of fund per year for male aged 65	7.79% (£6.49 per month per £1000)
(vi) Increments allowed?	No
(vii) form of annuity	Various (10 year guaranteed life annuity quoted)
(viii) retirement ages	not applicable – benefit at maturity, death or surrender of policy

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

Both the WPF and MPF funds have guaranteed surrender values. The reserve held is at least equal to this value. Shown below as the guarantee reserve, is the excess reserve over the net premium reserve before allowing for surrender values.

(i) Product name	MPF with-profit	MPF Non-profit whole life	WPF with profit
(ii) Basic reserve (£000)	166,634	3,966	86,443
(iii) Spread of outstanding durations	<5 yrs: 33% 5-10 yrs: 19% >10 yrs: 48%	<5 yrs: 34% 5-10 yrs: 26% >10 yrs: 40%	<5 yrs: 51% 5-10 yrs: 23% >10 yrs: 26%
(iv) Guarantee reserve (£000)	385	224	445
(v) Guaranteed amount (£000)	159,894	3,422	80,133
(vi) MVA free conditions	No MVA	No MVA	No MVA
(vii) In force premiums (£000)	2,415	87	3,292
(viii) Increments allowed?	No	No	No

(3) **Guaranteed Insurability Options**

A reserve is held for Guaranteed Insurability Options equal to a multiple of the annualised rider premium. In most cases, this multiple is 1.

(4) **Other guarantees and options**

**Keybond GMP**

A reserve of £12.7m has been set up in respect of guaranteed minimum pensions accepted as part of the transfers into the ex CLGB Keybond plan.

This is based on a prudent estimate of the strain at maturity produced by comparing the maturity value with the expected cost of providing the guaranteed minimum pension. A reserve is set up equal to the discounted value of this strain.

The reserve held is the mean of the reserve calculated under each of the 2,000 investment scenarios used to determine the GAO reserve.

For males, the post-retirement assumption is 96% of PNMA00 using medium cohort improvements with variable floor. For females, the post-retirement mortality assumption is 84% of PNFA00 using 75% medium cohort improvements with variable floor. The 75% medium cohort applies from 2000 and floors apply from 2007.

## **6. Expense reserves**

- (1) The aggregate amount of expense loadings expected to arise during the 12 months from the 'valuation date' was £41.2m, comprising £31.3m explicit and £9.9m implicit allowances. The investment expenses during 2008 were £8.9m and other maintenance expenses were £24.4m.
- (2) For group health business the implicit expense reserves are calculated as a percentage of the premium reserves (IBNR and UPR) that we hold. For WPF and MPF business, the implicit expense allowance is the difference between office and net premium; where this is insufficient (MPF) an explicit allowance for the balance is held.
- (3) Not required.
- (4) No new business expense overrun reserve was required. The method of calculation was to compare expected surplus for the 12 months following the 'valuation date' with the expected new business strain, assuming that the firm continues to contract new business.
- (5) No maintenance expense overrun reserve was required. The method of calculation was to compare expected surplus for the 12 months following the 'valuation date' with the estimated cost of closure to new business. Expected earnings were based on the results of the base projection in the latest Financial Condition Report, assuming that the firm continues to contract new business. The cost of closure to new business was based on estimated redundancy costs for all new business functions and 20% of policy maintenance functions plus the cost of two years rental payments on each of the company's three main offices.
- (6) No expenses have been treated as non-attributable.

## 7. Mismatching reserves

- (1) All the assets (after allowing for the currency swaps in place) and liabilities are denominated in sterling:

Currency	Value of assets £m	Value of liabilities £m
Sterling £	12,441	12,441

- (2) Not applicable.
- (3) Not applicable.
- (4) The most onerous scenario under INSPRU 3.1.16R (calculating the resilience requirement in INSPRU 3.1.10R) is as follows:

a decrease in fixed interest yields by 20% (i.e. subtracting 0.75% from yields)

a decrease in real yields for index-linked gilts by 20% (i.e. subtracting 0.23% from real yields)

a 10% fall in the market value of equities  
(earnings fall by 10% and dividends remain unchanged)

a 10% fall in the market value of properties (rents fall by 10%)

- (5) Not applicable.
- (6) In calculating the resilience capital requirement in INSPRU 3.1.10R, the value of assets allocated to match the liabilities changed as set out below. The change in the aggregate amount of the long-term liabilities is set out below with the resultant resilience capital requirement.

Fund	Asset Increase £000	Liability Increase £000	Resilience Capital Requirement £000
MPF	8,278	12,875	4,991
WPF	1,296	3,229	2,148
NPF	558,379	649,800	85,662
Total	567,953	665,905	92,800

- (7) No further mismatching reserve is held.

## 8. Other special reserves

### Tax reserves

Tax in respect of unrealised gains:

NPF	£(1.9)m
WPF	£1.9m
MPF	£0.0m

The reserve amounts to the life business proportion of the difference between the carrying value of the investments and their tax book cost, multiplied by a discounted policyholder tax rate reflecting the projected period over which the gains will be realised.

Tax relief in respect of acquisition expenses:

NPF	£(14.3)m
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The negative reserve amounts to the life business element of acquisition expenses already incurred by the company where tax relief will be provided in later years, multiplied by a discounted policyholder tax rate reflecting the projected period over which the tax relief will be obtained.

Tax in respect of actuarial reserve releases:

NPF	£3.8m
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The reserve relates to the impact of the removal of particular actuarial reserves, including resilience reserves, upon reported taxable actuarial surplus emerging, where under specific tax relief legislation, the tax effect is deferred until future periods. The reserve equates to the amount of the actuarial reserve releases multiplied by the appropriate profits tax rate.

### Other reserves

Policyholder tax losses:

NPF	£35.5m
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The reserve relates to cumulative realised losses in respect of investment disposals by individual unit linked life funds where the tax value of those losses has been used by the company to reduce its tax provisions and has not already been reflected within unit linked fund prices, but is expected to be recognised as future investment gains arise. The reserve equates to the amount of the tax losses multiplied by the policyholder tax rate.

**9. Reinsurance**

(1) Not applicable (only unauthorised reinsurers are Canada Life Assurance Company and Canada Life International Re Limited – no treaty with either of these reinsurers has any facultative business).

(2)

(d) Reinsurer	1.	2.	3.	4.	5.	6.	7.
(e) Nature and extent of cover	Group Life – 60% quota share	FinRe	FinRe	Group IP – quota share	Group IP – quota share	Annuities – 40% quota share	Annuities ELAS – 25% quota share
(f) Premium paid (£m)	146.7	6.2	11.3	nil	0.1	-0.3	383
(g) Deposit back (£m)	49.4	n/a	n/a	n/a	n/a	692.6	925.2
(h) Open / closed	Open	Closed	Closed	Closed	Closed	Closed	Closed
(i) Undischarged obligation (£m)	n/a	11.9	10.8	n/a	n/a	n/a	n/a
(j) Math Res ceded (£m)	53.5	Nil	nil	90.5	37.1	692.6	925.2
(k) NB Retention	40%	n/a	n/a	n/a	n/a	n/a	n/a
(l) Authorised to carry on insurance business in UK?	No	No	No	Yes	Yes	No	No
(m) Connected company?	Yes	Yes	Yes	No	No	Yes	Yes
(n) Material contingencies	None	None	None	None	None	None	None
(o) Provision for refund of commission on lapse/surrender	None	None	None	None	None	None	None

(d) Reinsurer	8.	9.
(e) Nature and extent of cover	Annuities – 25% quota share of longevity risk	Annuities Impaired lives– 50% quota share
(f) Premium paid (£m)	75.8	17.0
(g) Deposit back (£m)	0	17.2
(h) Open / closed	Closed	Open
(i) Undischarged obligation (£m)	n/a	n/a
(j) Math Res ceded (£m)	5.9	19.2
(k) NB Retention	n/a	50%
(l) Authorised to carry on insurance business in UK?	Yes	Yes
(m) Connected company?	No	No
(n) Material contingencies	None	None
(o) Provision for refund of commission on lapse/surrender	None	None

#### Key

1. Canada Life International Re Limited – Group Life 60% quota share
2. Canada Life International Re Limited – Fin Re
3. Canada Life Assurance Company – Fin Re
4. Swiss Re Europe S.A. – Group IP quota share
5. Swiss Re Europe S.A. – Group IP quota share
6. Canada Life International Re Limited – Annuities 40% quota share
7. Canada Life International Re Limited – Annuities ELAS 25% quota share
8. Royal Bank of Canada Insurance Company Ltd – Annuities ELAS 25% longevity quota share
9. Hannover Rueckversicherung AG & Hannover Life Reassurance (UK) Ltd – Impaired annuities 50% quota share

- (p) For treaty 2. Canada Life International Re Limited:-
- (i) The undischarged obligation is discharged only to the extent that surplus emerges on a specific block of unit-linked pensions business or, under certain extreme conditions, on all business.
  - (ii) The undischarged obligations have been ignored in the valuation.

For treaty 3. Canada Life Assurance Company:-

- (i) The undischarged obligation is discharged only to the extent that surplus emerges on a specific block of unit-linked life business or, under certain extreme conditions, on all business.
- (ii) The undischarged obligations have been ignored in the valuation.

Canada Life (CLL) has in place an analogous non-reinsurance financing arrangement (ANFA) with J.P. Morgan Ventures Corporation (JPMVC) which was entered into on 30 July 2008 with effective date 1 July 2008. The ANFA limits CLL's longevity exposure on 13.3% of the annuities in payment (until June 2048) acquired from Equitable Life (CPA - ELAS) where each month CLL is only liable for a pre-determined payment (payable to the counterparty) whereas the counterparty pays a variable amount calculated by reference to the actual annuity amount paid. The pre-determined payment that

was paid by CLL during 2008 was £20.2m (2007: nil) and the amount received from JPMVC was £20.1m (2007 nil). The effect of the ANFA agreement was to reduce gross mathematical reserves by £1m as at 31 December 2008 (2007: nil). This benefit is collateralised, the value of the collateral as at 31 December 2008 was £9.4m (2007: nil); which was deposited with CLL. The ANFA does not accept any new business. There is no current undischarged obligation of the insurer. JPMVC is not a connected party of CLL.

- (3) Not applicable

**10. Reversionary (or annual) bonus**

(1) WPF

The annual bonus is based on a three factor contribution method so the table below shows the approximate weighted average reversionary bonus rates. The Contribution Method, for this fund, takes the form of a three factor formula to determine the annual bonus, and reflects the investment surplus, expense surplus and mortality surplus. The investment surplus includes an allowance for the distribution of surplus that arises from surrendered policies. The actual bonus rate will therefore vary by age, term and duration and depends on whether the policy is premium paying.

Bonus Series	Mathematical Reserves	Reversionary Bonus 2008		Reversionary Bonus 2007		Total Guaranteed Bonus Rate
	£000	Basic	Bonus	Basic	Bonus	
P7D – premium paying	27,741	2.4%	0.8%	2.7%	0.8%	Not Applicable
P7D – paid up	1,986	1.4%	1.6%	1.3%	1.5%	Not Applicable
P8H – premium paying	38,777	2.4%	0.8%	2.6%	0.8%	Not Applicable

MPF

The annual bonus is based on a two factor contribution method so the table below shows the approximate weighted average reversionary bonus rates. The two factors are the interest factor which reflects the investment surplus and the loading factor which reflects the lapse, expense and mortality surplus, arising from the with-profits business. The actual bonus rate will therefore vary by age, term and duration and depends on whether the policy is premium paying.

Bonus Series	Mathematical Reserves £000	Reversionary Bonus 2008		Reversionary Bonus 2007		Total Guaranteed Bonus Rate
		Basic	Bonus	Basic	Bonus	
G68/71– premium paying	22,207	2.2%	0.5%	2.2%	0.5%	Not Applicable
G68/71– paid-up	9,427	0.9%	0.5%	0.9%	0.5%	Not Applicable
G77 – premium paying	107,992	2.1%	0.5%	2.1%	0.5%	Not Applicable
G77 – paid-up	15,611	0.4%	0.5%	0.4%	0.5%	Not Applicable

(2) Not applicable

(3) Not applicable

(4) Not applicable

PREPARED IN ACCORDANCE WITH THE ACCOUNTS AND STATEMENTS RULES

DIRECTORS' CERTIFICATE REQUIRED BY RULE 9.34 OF THE INTERIM  
PRUDENTIAL SOURCEBOOK FOR INSURERS

CANADA LIFE LIMITED

GLOBAL BUSINESS

FINANCIAL YEAR ENDED 31 DECEMBER 2008

We certify that:

1. the return comprising Forms 2, 3, 11 to 17, 40 to 51, 53 to 60 (including the supplementary notes), the statements required by rules, 9.29 and 9.30; and the statements analyses and reports required by rule 9.31 has been properly prepared in accordance with the Accounts and Statements Rules set out in part I and part IV of chapter 9 of IPRU(INS), the Interim Prudential Sourcebook for Insurers, GENPRU, the General Prudential Sourcebook and INSPRU, the Prudential Sourcebook for Insurers;
2. the directors are satisfied that:
  - (i) throughout the financial year, the company has complied in all material respects with the requirements in SYSC, Senior Management Arrangements, Systems and Controls, and PRIN, Principles for Business, sections of the FSA Handbook as well as the provisions of IPRU(INS), GENPRU and INSPRU as applicable; and
  - (ii) it is reasonable to believe that the company has continued so to comply subsequently, and will continue so to comply in future;
3. in our opinion, premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the company that are available for the purpose, to enable the company to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;
4. the sum of the mathematical reserves and the deposits received from reinsurers as shown on Form 14 constitute proper provision at the end of the financial year in question for the long-term insurance business liabilities (including all other 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 the actuarial investigation as at the date into the financial condition of the long-term insurance business;
5. the with-profits funds have been managed in accordance with the Principles and Practice of Financial Management (PPFM), as established, maintained and recorded under COBS20.3 except for the equity content of the With-Profits fund falling below the target range stated in the PPFM;

6. we have, in preparing the return, taken and paid due regard to:

- (i) advice in preparing the return from the actuary appointed by the company to perform the actuarial function in accordance with SUP4.3.13R; and
- (ii) advice from the actuary appointed by the insurer to perform the with-profits actuary function in accordance with SUP4.3.16R.

I Gilmour  
General Manager,  
UK Division

H C Snow  
Chief Financial  
Office

J E Occleshaw  
Executive  
Director

31 March 2009

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in England and Wales governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

**RETURNS UNDER THE ACCOUNTS AND STATEMENTS RULES**

**REPORT OF THE AUDITORS TO THE DIRECTORS PURSUANT TO RULE 9.35 OF THE INTERIM PRUDENTIAL SOURCEBOOK FOR INSURERS**

**CANADA LIFE LIMITED**

**GLOBAL BUSINESS**

**FINANCIAL YEAR ENDED 31 DECEMBER 2008**

We have examined the following documents prepared by the company pursuant to the Accounts and Statements Rules set out in part I and part IV of 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:

- Forms 2, 3, 11 to 17, 40 to 45, 48, 49, 56, 58 and 60, (including the supplementary notes thereon) on pages 1 to 48, 52 to 59, 83, 87 to 90, 95 and 96 to 103 ("the Forms");
- the statement required by IPRU(INS) rule 9.29 on page 104 ("the Statement");
- the valuation report required by IPRU(INS) rule 9.31(a) on pages 106 to 134 ("the valuation report"); and

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

- | Forms 46, 47, 50 to 55, 57, 59A and 59B (including the supplementary notes thereon) on pages 49 to 51, 60 to 82, 84 to 86, 91 to 94 and supplementary note pages 102 to 103;
- | the statement[s] required by IPRU(INS) rules 9.30 and 9.36 on pages 105 and 139; and
- | the directors' certificate required by IPRU(INS) rule 9.34 on pages 135 to 136 ("the directors' certificate").

Our report is provided to the directors of Canada Life Limited in accordance with rule 9.35 of the Interim Prudential Sourcebook for Insurers. We acknowledge that our report will be provided to the FSA for the use of the FSA solely for the purposes set down by statute and the FSA's rules. Our work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an auditors' report on an annual FSA return for an insurer and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the FSA, and the company, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of the company and its auditors**

The company is responsible for the preparation of an annual return (including the Forms, the Statement, the valuation report, the forms and statements not examined by us and the directors' certificate) under the provisions of the Rules. Under IPRU(INS) rule 9.11 the Forms, the Statement, the valuation report, the forms and statements not examined by us and the directors' certificate 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 company and used to perform the actuarial investigation as set out in the valuation report prepared in accordance with IPRU(INS) rule 9.31 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 opinions to you. We also report to you if, in our opinion, the company 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 company for the financial year. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the Forms, the Statement and the valuation report.

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

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

### **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 company and used to perform the actuarial investigation as set out in the valuation report prepared in accordance with IPRU(INS) rule 9.31 appropriately reflect the requirements of INSPRU 1.2.

Deloitte LLP

Chartered Accountants and Registered Auditors

London, United Kingdom,

31 March 2009

Neither an audit nor a review provides assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

Legislation in England and Wales governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

PREPARED IN ACCORDANCE WITH THE ACCOUNTS AND STATEMENTS RULES

STATEMENT OF INFORMATION ON THE WITH-PROFITS ACTUARY REQUIRED BY RULE 9.36 OF THE INTERIM PRUDENTIAL SOURCEBOOK FOR INSURERS

CANADA LIFE LIMITED

GLOBAL BUSINESS

FINANCIAL YEAR ENDED 31 DECEMBER 2008

The With-Profits Actuary, H M Shah, was appointed to the role with effect from 31 December 2004. Mr Shah was an employee of CLFIS (UK) Limited for the period 1 January 2008 to 31 December 2008. With effect from 1 April 2005 all staff contracts of employment with Canada Life Limited were transferred to CLFIS (UK) Limited, a fellow subsidiary of The Canada Life Group (UK) Limited. CLFIS (UK) Limited recharges staff costs to Canada Life Limited as appropriate.

- 1) a) During the period, the With-Profits Actuary had an interest in the shares of the ultimate holding company, Great-West Lifeco Inc. At 31 December 2008 the With-Profits Actuary held: 462 Great-West Lifeco Inc common shares with a total value of £5,343; 16 Great-West Lifeco Inc 'E' class shares with a total value of £225; and, 5 Great-West Lifeco Inc 'F' class shares with a total value of £57.
  - b) The With-Profits Actuary and his spouse have three term policies effected with the insurer. The With-Profits Actuary has one term policy with a sum assured of £100,000. The spouse of the With-Profits Actuary has two term policies with respective sums assured of £100,000 and £200,000.
  - c) The aggregate amount of the remuneration and the value of other benefits under the With-Profit Actuary's contracts of service with CLIFS (UK) Limited was £150,496. This amount excludes any pension fund contributions made by CLFIS (UK) Limited into The Canada Life UK Division Staff Pension Fund but includes the pro rated value of other benefits.
  - d) The With-Profits Actuary is a member of The Canada Life UK Division Staff Pension Fund on the same terms as other members of staff.
- 2) The Company has made a request to the With-Profits Actuary to furnish particulars specified in rule 9.36 and pursuant to that request the With-Profits Actuary has confirmed that the information set out in (1) above is correct.

H M Shah, FIA  
With-Profits Actuary

31 March 2009