

Canada Life Limited

Annual FSA Insurance Returns for the year ended

31 December 2009

IPRU(INS) Appendices 9.1, 9.3, 9.4, 9.6

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Statement of solvency - long-term insurance businessName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**

Solo solvency calculation

R2	Company registration number	GL/UK/CM	day month year			Units
			31	12	2009	
	973271	GL				£000
			As at end of this financial year			As at end of the previous year
			1			2

Capital resources

Capital resources arising within the long-term insurance fund	11	302756	286882
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	723316	607640
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	1026072	894521

Guarantee fund

Guarantee fund requirement	21	211428	198587
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	814645	695935

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31	634283	595760
Resilience capital requirement	32	121305	92800
Base capital resources requirement	33	3128	2518
Individual minimum capital requirement	34	755588	688560
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	755588	688560
Excess (deficiency) of available capital resources to cover 50% of MCR	37	513576	285657
Excess (deficiency) of available capital resources to cover 75% of MCR	38	444679	233517

Enhanced capital requirement

With-profits insurance capital component	39		
Enhanced capital requirement	40	755588	688560

Capital resources requirement (CRR)

Capital resources requirement (greater of 36 and 40)	41	755588	688560
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	270485	205961

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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Covering Sheet to Form 2

Form 2

Name of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**

.....
I Gilmour

**General Manager,
UK Division**

.....
W L Acton

Director

.....
M L Hepher

Director

Potters Bar

Components of capital resourcesName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**

	Company registration number	GL/UK/CM	day month year			Units
R3	973271	GL	31	12	2009	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

Core tier one capital

Permanent share capital	11		164250	164250	14250
Profit and loss account and other reserves	12		625562	625562	495308
Share premium account	13				
Positive valuation differences	14		60359	60359	84159
Fund for future appropriations	15		41198	41198	38721
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19		891370	891370	632437

Tier one waivers

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	21				
Implicit Items	22				
Tier one waivers in related undertakings	23				
Total tier one waivers as restricted (21+22+23)	24				

Other tier one capital

Perpetual non-cumulative preference shares as restricted	25				
Perpetual non-cumulative preference shares in related undertakings	26				
Innovative tier one capital as restricted	27				
Innovative tier one capital in related undertakings	28				

Total tier one capital before deductions (19+24+25+26+27+28)	31		891370	891370	632437
Investments in own shares	32				
Intangible assets	33				2500
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37				2500
Total tier one capital after deductions (31-37)	39		891370	891370	629937

Components of capital resources

Name of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**

	Company registration number	GL/ UK/ CM	day month year			Units
R3	973271	GL	31	12	2009	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 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 resourcesName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**

R3	Company registration number	GL/ UK/ CM	day month year			Units
	973271	GL	31	12	2009	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		1	2	3	4	

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72		1221370	1221370	959937
Inadmissible assets other than intangibles and own shares	73		194548	194548	64666
Assets in excess of market risk and counterparty limits	74				
Deductions for related ancillary services undertakings	75		750	750	750
Deductions for regulated non-insurance related undertakings	76				
Deductions of ineligible surplus capital	77				
Total capital resources after deductions (72-73-74-75-76-77)	79		1026072	1026072	894521

Available capital resources for GENPRU/INSPRU tests

Available capital resources for guarantee fund requirement	81		1026072	1026072	894521
Available capital resources for 50% MCR requirement	82		891370	891370	629937
Available capital resources for 75% MCR requirement	83		1011370	1011370	749937

Financial engineering adjustments

Implicit items	91				
Financial reinsurance - ceded	92		6875	6875	22704
Financial reinsurance - accepted	93				
Outstanding contingent loans	94				
Any other charges on future profits	95				
Sum of financial engineering adjustments (91+92-93+94+95)	96		6875	6875	22704

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 2009**

Long term insurance business

		Company registration number	GL/UK/CM	day month year			Units	
		R11	973271	GL	31	12	2009	£000
				This financial year			Previous year	
				1			2	
Gross premiums written				11	130891		154863	
Premiums taxes and levies (included in line 11)				12				
Premiums written net of taxes and levies (11-12)				13	130891		154863	
Premiums for classes 11, 12 or 13 (included in line 13)				14				
Premiums for "actuarial health insurance" (included in line 13)				15	119829		142602	
Sub-total A (13 + 1/2 14 - 2/3 15)				16	51005		59795	
Gross premiums earned				21	135129		151200	
Premium taxes and levies (included in line 21)				22				
Premiums earned net of taxes and levies (21-22)				23	135129		151200	
Premiums for classes 11, 12 or 13 (included in line 23)				24				
Premiums for "actuarial health insurance" (included in line 23)				25	124067		138940	
Sub-total H (23 + 1/2 24 - 2/3 25)				26	52418		58573	
Sub-total I (higher of sub-total A and sub-total H)				30	52418		59795	
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure				31				
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18			32	9435		10763	
	Excess (if any) over 57.5M EURO x 0.02			33	21		360	
Sub-total J (32-33)				34	9415		10403	
Claims paid in period of 3 financial years				41	228865		223028	
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis			42				
	For insurance business accounted for on an accident year basis			43	611822		560951	
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis			44				
	For insurance business accounted for on an accident year basis			45	608940		610259	
Sub-total C (41+42+43-44-45)				46	231747		173720	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C				47	16716		4899	
Sub-total D (46-47)				48	215031		168821	
Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.50 or, if less, 1.00)				49	0.93		0.97	
Premiums amount (Sub-total J x reinsurance ratio)				50	8736		10110	
Provision for claims outstanding (before discounting and net of reinsurance)				51	486504		430604	
Provision for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero				52				
Brought forward amount (See instruction 4)				53	10110		8277	
Greater of lines 50 and 53				54	10110		10110	

Calculation of general insurance capital requirement - claims amount and resultName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**

Long term insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	973271	GL	31	12	2009	£000
				This financial year 1			Previous year 2	
Reference period (No. of months) See INSPRU 1.1.63R				11	36			36
Claims paid in reference period				21	228865			223028
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis			22				
	For insurance business accounted for on an accident year basis			23	611822			560951
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis			24				
	For insurance business accounted for on an accident year basis			25	608940			610259
Claims incurred in reference period (21+22+23-24-25)				26	231747			173720
Claims incurred for classes 11, 12 or 13 (included in 26)				27				
Claims incurred for "actuarial health insurance" (included in 26)				28	218094			164145
Sub-total E (26 +1/2 27 - 2/3 28)				29	86351			64290
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	28784			21430
Division of sub-total F (gross adjusted claims amount)	x 0.26			32	7484			5572
	Excess (if any) over 40.3M EURO x 0.03			33				
Sub-total G (32-33)				39	7484			5572
Claims amount Sub-total G x reinsurance ratio (11.49)				41	6944			5415
Higher of premiums amount and brought forward amount (11.54)				42	10110			10110
General insurance capital requirement (higher of lines 41 and 42)				43	10110			10110

Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**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	2009	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	
Land and buildings			11				

Investments in group undertakings and participating interests

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

Other financial investments

Equity shares	41	3426	3075	
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43	17669	61660	
Rights under derivative contracts	44			
Fixed interest securities	Approved	45	149646	151707
	Other	46	53408	83124
Variable interest securities	Approved	47	9006	8374
	Other	48	22549	22693
Participation in investment pools	49			
Loans secured by mortgages	50	27548	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	146953	55349
	More than one month withdrawal	55	161788	71973
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58		
	Property linked	59		

Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**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	2009	£000	1
					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		
	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	2	1
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83	127432	78293
Accrued interest and rent	84	3889	5691
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	723316	607640
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Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**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	2009	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	723316	607640
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	150000	2500
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101	(127510)	(75000)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	745806	535140
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**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	2009	£000	10
					As at end of this financial year	As at end of the previous year	
					1	2	
Land and buildings			11		991940	906397	

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	130383	122717
	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	63889	72894	
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43	71261	62949	
Rights under derivative contracts	44	54644	72033	
Fixed interest securities	Approved	45	2764973	2746748
	Other	46	5979854	5550044
Variable interest securities	Approved	47	107843	116103
	Other	48	157596	159792
Participation in investment pools	49			
Loans secured by mortgages	50	1431067	1405035	
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52	9246	10636	
Other loans	53	5000		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	310723	229571
	More than one month withdrawal	55	321850	254907
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58	1247320	1106219
	Property linked	59	4202952	3672084

Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**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	2009	£000	10
					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	15191	18560
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	13719	25775
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	274	423
Deposits not subject to time restriction on withdrawal with approved institutions	81	37010	60157
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83	9331	14226
Accrued interest and rent	84	200240	199556
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	18907	15982

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	18145214	16822809
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Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**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	2009	£000	10
					As at end of this financial year	As at end of the previous year	
					1	2	

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	18145214	16822809
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	2790	3203
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97	750	750
Other differences in the valuation of assets (other than for assets not valued above)	98	29392	(14623)
Deferred acquisition costs excluded from line 89	99	141115	134137
Reinsurers' share of technical provisions excluded from line 89	100	1798161	1836522
Other asset adjustments (may be negative)	101	3104	5276
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	20120526	18788074
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103	5000	

Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**Category of assets **Non-Profit Fund**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
	R13	973271	GL	31	12	2009	£000	11
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings						11	991940	906397

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	130383	122717
	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	11925	19577	
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43	34406	25349	
Rights under derivative contracts	44	54644	72033	
Fixed interest securities	Approved	45	2588467	2542725
	Other	46	5938646	5509708
Variable interest securities	Approved	47	97531	103382
	Other	48	154765	156476
Participation in investment pools	49			
Loans secured by mortgages	50	1421932	1394506	
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52	1490	1709	
Other loans	53	5000		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	305375	217789
	More than one month withdrawal	55	316286	240783
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58	1247320	1106219
	Property linked	59	4202952	3672084

Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**Category of assets **Non-Profit Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	973271	GL	31	12	2009	£000	11
					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	15191	18560
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75	13719	25775
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	274	423
Deposits not subject to time restriction on withdrawal with approved institutions	81	36513	59725
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83	7937	14226
Accrued interest and rent	84	197020	195841
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	18907	15982

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	17792624	16421988
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Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**Category of assets **Non-Profit Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	973271	GL	31	12	2009	£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

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	17792624	16421988
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	2790	3203
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97	750	750
Other differences in the valuation of assets (other than for assets not valued above)	98	29392	(14623)
Deferred acquisition costs excluded from line 89	99	138653	131167
Reinsurers' share of technical provisions excluded from line 89	100	1798161	1836522
Other asset adjustments (may be negative)	101	3104	11780
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	19765474	18390786
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103	5000	

Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**Category of assets **With-Profits Fund**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
	R13	973271	GL	31	12	2009	£000	13
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings			11					

Investments in group undertakings and participating interests

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

Other financial investments

Equity shares	41	23805	26868	
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43	15493	16449	
Rights under derivative contracts	44			
Fixed interest securities	Approved	45	47385	60364
	Other	46	9786	9552
Variable interest securities	Approved	47		
	Other	48		
Participation in investment pools	49			
Loans secured by mortgages	50			
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52	1734	2092	
Other loans	53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	1287	2157
	More than one month withdrawal	55	1339	3029
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58		
	Property linked	59		

Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**Category of assets **With-Profits Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	973271	GL	31	12	2009	£000	13
					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	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	432
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	887	1030
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	101717	121972
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Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**Category of assets **With-Profits Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	973271	GL	31	12	2009	£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

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	101717	121972
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99	2462	2970
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		(3270)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	104180	121672
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**Category of assets **Manulife Fund**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
	R13	973271	GL	31	12	2009	£000	14
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings			11					

Investments in group undertakings and participating interests

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

Other financial investments

Equity shares	41	28159	26449	
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43	21361	21151	
Rights under derivative contracts	44			
Fixed interest securities	Approved	45	129121	143659
	Other	46	31421	30784
Variable interest securities	Approved	47	10312	12721
	Other	48	2831	3315
Participation in investment pools	49			
Loans secured by mortgages	50	9135	10529	
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52	6022	6835	
Other loans	53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	4062	9625
	More than one month withdrawal	55	4225	11095
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58		
	Property linked	59		

Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**Category of assets **Manulife Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	973271	GL	31	12	2009	£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	497	0
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83	1394	
Accrued interest and rent	84	2333	2685
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	250873	278850
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Analysis of admissible assetsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**Category of assets **Manulife Fund**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	973271	GL	31	12	2009	£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

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	250873	278850
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		(3234)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	250873	275616
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Long term insurance business liabilities and marginsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**Total business/Sub fund **Summary**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus	11	15563791	14415961	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12	108	120	
Balance of surplus/(valuation deficit)	13	164689	161815	
Long term insurance business fund carried forward (11 to 13)	14	15728588	14577895	
Claims outstanding	Gross	15	107238	87364
	Reinsurers' share	16		
	Net (15-16)	17	107238	87364
Provisions	Taxation	21	1440	0
	Other risks and charges	22	4345	4443
Deposits received from reinsurers	23	1655534	1684133	
Creditors	Direct insurance business	31	25238	32097
	Reinsurance accepted	32		
	Reinsurance ceded	33		
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions	36			
Creditors	Taxation	37	58628	6480
	Other	38	418616	296457
Accruals and deferred income	39	7521	8874	
Provision for "reasonably foreseeable adverse variations"	41			
Total other insurance and non-insurance liabilities (17 to 41)	49	2278559	2119847	
Excess of the value of net admissible assets	51	138067	125067	
Total liabilities and margins	59	18145214	16822809	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61		
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	4205074	3669917

Total liabilities (11+12+49)	71	17842458	16535927
Increase to liabilities - DAC related	72	26932	25935
Reinsurers' share of technical provisions	73	1798161	1836522
Other adjustments to liabilities (may be negative)	74	44849	46551
Capital and reserves and fund for future appropriations	75	408126	343139
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	76	20120526	18788074

Long term insurance business liabilities and marginsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**Total business/Sub fund **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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Mathematical reserves, after distribution of surplus	11	79696	98290	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12			
Balance of surplus/(valuation deficit)	13	11877	11801	
Long term insurance business fund carried forward (11 to 13)	14	91573	110090	
Claims outstanding	Gross	15	1697	2228
	Reinsurers' share	16		
	Net (15-16)	17	1697	2228
Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers	23			
Creditors	Direct insurance business	31	0	1
	Reinsurance accepted	32		
	Reinsurance ceded	33		
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions	36			
Creditors	Taxation	37	1071	3234
	Other	38	1176	1219
Accruals and deferred income	39		(0)	
Provision for "reasonably foreseeable adverse variations"	41			
Total other insurance and non-insurance liabilities (17 to 41)	49	3945	6681	
Excess of the value of net admissible assets	51	6200	5200	
Total liabilities and margins	59	101717	121972	

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

Total liabilities (11+12+49)	71	83640	104971
Increase to liabilities - DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	76		

Long term insurance business liabilities and marginsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**Total business/Sub fund **Manulife Fund**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus	11	210420	235237	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12	108	120	
Balance of surplus/(valuation deficit)	13	12650	12843	
Long term insurance business fund carried forward (11 to 13)	14	223179	248200	
Claims outstanding	Gross	15	2952	4487
	Reinsurers' share	16		
	Net (15-16)	17	2952	4487
Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers	23			
Creditors	Direct insurance business	31	14996	15854
	Reinsurance accepted	32		
	Reinsurance ceded	33		
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions	36			
Creditors	Taxation	37	777	3273
	Other	38	469	536
Accruals and deferred income	39			
Provision for "reasonably foreseeable adverse variations"	41			
Total other insurance and non-insurance liabilities (17 to 41)	49	19194	24149	
Excess of the value of net admissible assets	51	8501	6501	
Total liabilities and margins	59	250873	278850	

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

Total liabilities (11+12+49)	71	229722	259506
Increase to liabilities - DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	76		

Long term insurance business liabilities and marginsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**Total business/Sub fund **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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Mathematical reserves, after distribution of surplus	11	15273675	14082434	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12			
Balance of surplus/(valuation deficit)	13	140162	137171	
Long term insurance business fund carried forward (11 to 13)	14	15413837	14219605	
Claims outstanding	Gross	15	102588	80650
	Reinsurers' share	16		
	Net (15-16)	17	102588	80650
Provisions	Taxation	21	1440	0
	Other risks and charges	22	4345	4443
Deposits received from reinsurers	23	1655534	1684133	
Creditors	Direct insurance business	31	10242	16242
	Reinsurance accepted	32		
	Reinsurance ceded	33		
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions	36			
Creditors	Taxation	37	56779	(27)
	Other	38	416971	294702
Accruals and deferred income	39	7521	8874	
Provision for "reasonably foreseeable adverse variations"	41			
Total other insurance and non-insurance liabilities (17 to 41)	49	2255421	2089017	
Excess of the value of net admissible assets	51	123366	113366	
Total liabilities and margins	59	17792624	16421988	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61		
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	4205074	3669917

Total liabilities (11+12+49)	71	17529096	16171451
Increase to liabilities - DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	76		

Liabilities (other than long term insurance business)Name of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**

	Company registration number	GL/ UK/ CM	day	month	year	Units	
	R15	973271	GL	31	12	2009	£000
						As at end of this financial year 1	As at end of the previous year 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		
Total gross technical provisions (11 to 16)	19		

Provisions and creditors

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers		31		
Creditors	Direct insurance business	41		
	Reinsurance accepted	42		
	Reinsurance ceded	43		
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions		46		
Creditors	Taxation	47		(0)
	Foreseeable dividend	48		
	Other	49		
Accruals and deferred income		51		
Total (19 to 51)		59		(0)
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63	330000	330000
Total (59 to 63)		69	330000	330000

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		
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Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83	(7078)	
Capital and reserves	84	422884	205140
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	85	745806	535140

Profit and loss account (non-technical account)Name of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	973271	GL	31	12	2009	£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			120000	75000	
Investment income	Income		14			19958	28581	
	Value re-adjustments on investments		15			5677	14332	
	Gains on the realisation of investments		16			22750	5877	
Investment charges	Investment management charges, including interest		17			14915	22648	
	Value re-adjustments on investments		18			41566	41854	
	Loss on the realisation of investments		19			248	37	
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			111657	59251	
Tax on profit or loss on ordinary activities			31			(4020)	(6565)	
Profit or loss on ordinary activities after tax (29-31)			39			115676	65816	
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			115676	65816	
Dividends (paid or foreseeable)			51				71800	
Profit or loss retained for the financial year (49-51)			59			115676	(5984)	

Analysis of derivative contractsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**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	2009	£000	10
Derivative contracts		Value as at the end of this financial year			Notional amount as at the end of this financial year				
		Assets 1		Liabilities 2		Bought / Long 3		Sold / Short 4	
Futures and contracts for differences	Fixed-interest securities	11							
	Interest rates	12	34581			354813			
	Inflation	13							
	Credit index / basket	14							
	Credit single name	15							
	Equity index	16							
	Equity stock	17							
	Land	18							
	Currencies	19	4198		47432	20594	284411		
	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	15864			156600			
	Equity index calls	42							
	Equity stock calls	43							
	Equity index puts	44							
	Equity stock puts	45							
	Other	46							
Total (11 to 46)		51	54644		47432	532007	284411		
Adjustment for variation margin		52							
Total (51 + 52)		53	54644		47432				

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 contractsName of insurer **Canada Life Limited**

Global business

Financial year ended **31 December 2009**Category of assets **Non-Profit Fund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		R17	973271	GL	31	12	2009	£000	11
Derivative contracts		Value as at the end of this financial year			Notional amount as at the end of this financial year				
		Assets 1		Liabilities 2		Bought / Long 3		Sold / Short 4	
Futures and contracts for differences	Fixed-interest securities	11							
	Interest rates	12	34581			354813			
	Inflation	13							
	Credit index / basket	14							
	Credit single name	15							
	Equity index	16							
	Equity stock	17							
	Land	18							
	Currencies	19	4198		47432	20594	284411		
	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	15864			156600			
	Equity index calls	42							
	Equity stock calls	43							
	Equity index puts	44							
	Equity stock puts	45							
	Other	46							
Total (11 to 46)		51	54644		47432	532007	284411		
Adjustment for variation margin		52							
Total (51 + 52)		53	54644		47432				

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 **Summary**
 Financial year ended **31 December 2009**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	1532957	1347083
Investment income receivable before deduction of tax	12	832991	889500
Increase (decrease) in the value of non-linked assets brought into account	13	236837	(519651)
Increase (decrease) in the value of linked assets	14	323723	(997363)
Other income	15	19593	20656
Total income	19	2946101	740225

Expenditure

Claims incurred	21	1462082	1360834
Expenses payable	22	126575	125118
Interest payable before the deduction of tax	23	27170	99802
Taxation	24	51052	(1377)
Other expenditure	25	8532	16494
Transfer to (from) non technical account	26	120000	75000
Total expenditure	29	1795410	1675871

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	1150691	(935647)
Fund brought forward	49	14577896	15513543
Fund carried forward (39+49)	59	15728587	14577896

Long-term insurance business : Revenue account

Name of insurer **Canada Life Limited**
 Total business / subfund **With-Profits Fund**
 Financial year ended **31 December 2009**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	2843	3968
Investment income receivable before deduction of tax	12	5472	7086
Increase (decrease) in the value of non-linked assets brought into account	13	1555	594
Increase (decrease) in the value of linked assets	14		
Other income	15	0	
Total income	19	9871	11648

Expenditure

Claims incurred	21	22575	29661
Expenses payable	22	471	611
Interest payable before the deduction of tax	23		
Taxation	24	1076	3280
Other expenditure	25	4267	9539
Transfer to (from) non technical account	26		
Total expenditure	29	28389	43091

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(18519)	(31442)
Fund brought forward	49	110092	141534
Fund carried forward (39+49)	59	91573	110092

Long-term insurance business : Revenue account

Name of insurer **Canada Life Limited**
 Total business / subfund **Manulife Fund**
 Financial year ended **31 December 2009**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	3270	3821
Investment income receivable before deduction of tax	12	12957	16327
Increase (decrease) in the value of non-linked assets brought into account	13	(2451)	1473
Increase (decrease) in the value of linked assets	14		
Other income	15	73	79
Total income	19	13848	21699

Expenditure

Claims incurred	21	32068	33826
Expenses payable	22	1835	2009
Interest payable before the deduction of tax	23		
Taxation	24	771	2421
Other expenditure	25	4196	6846
Transfer to (from) non technical account	26		
Total expenditure	29	38870	45101

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(25022)	(23402)
Fund brought forward	49	248200	271602
Fund carried forward (39+49)	59	223178	248200

Long-term insurance business : Revenue account

Name of insurer **Canada Life Limited**
 Total business / subfund **Non-Profit Fund**
 Financial year ended **31 December 2009**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	1526844	1339295
Investment income receivable before deduction of tax	12	814563	866087
Increase (decrease) in the value of non-linked assets brought into account	13	237732	(521718)
Increase (decrease) in the value of linked assets	14	323723	(997363)
Other income	15	19520	20577
Total income	19	2922383	706877

Expenditure

Claims incurred	21	1407438	1297347
Expenses payable	22	124269	122499
Interest payable before the deduction of tax	23	27170	99802
Taxation	24	49205	(7078)
Other expenditure	25	68	109
Transfer to (from) non technical account	26	120000	75000
Total expenditure	29	1728151	1587679

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	1194231	(880802)
Fund brought forward	49	14219605	15100407
Fund carried forward (39+49)	59	15413836	14219605

Long-term insurance business : Analysis of premiums

Name of insurer **Canada Life Limited**
 Total business / subfund **Summary**
 Financial year ended **31 December 2009**
 Units **£000**

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

Regular premiums	11	200761	300196		500957	560347
Single premiums	12	500430	802365		1302795	1465231

Reinsurance - external

Regular premiums	13	10585	80704		91289	90761
Single premiums	14		28251		28251	16967

Reinsurance - intra-group

Regular premiums	15	13870	137385		151255	164203
Single premiums	16					406563

Net of reinsurance

Regular premiums	17	176306	82107		258413	305382
Single premiums	18	500430	774114		1274544	1041701

Total

Gross	19	701191	1102561		1803752	2025578
Reinsurance	20	24454	246340		270794	678495
Net	21	676736	856221		1532957	1347083

Long-term insurance business : Analysis of premiums

Name of insurer **Canada Life Limited**
 Total business / subfund **With-Profits Fund**
 Financial year ended **31 December 2009**
 Units **£000**

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

Gross

Regular premiums	11	2839	4		2843	3968
Single premiums	12					

Reinsurance - external

Regular premiums	13					
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17	2839	4		2843	3968
Single premiums	18					

Total

Gross	19	2839	4		2843	3968
Reinsurance	20					
Net	21	2839	4		2843	3968

Long-term insurance business : Analysis of premiums

Name of insurer **Canada Life Limited**
 Total business / subfund **Manulife Fund**
 Financial year ended **31 December 2009**
 Units **£000**

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

Gross

Regular premiums	11	3047	192		3239	3794
Single premiums	12		45		45	41

Reinsurance - external

Regular premiums	13					
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15	14			14	14
Single premiums	16					

Net of reinsurance

Regular premiums	17	3033	192		3225	3780
Single premiums	18		45		45	41

Total

Gross	19	3047	237		3284	3835
Reinsurance	20	14			14	14
Net	21	3033	237		3270	3821

Long-term insurance business : Analysis of premiums

Name of insurer **Canada Life Limited**
 Total business / subfund **Non-Profit Fund**
 Financial year ended **31 December 2009**
 Units **£000**

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

Gross

Regular premiums	11	194875	300000		494875	552585
Single premiums	12	500430	802320		1302750	1465190

Reinsurance - external

Regular premiums	13	10585	80704		91289	90761
Single premiums	14		28251		28251	16967

Reinsurance - intra-group

Regular premiums	15	13856	137385		151241	164189
Single premiums	16					406563

Net of reinsurance

Regular premiums	17	170434	81911		252345	297635
Single premiums	18	500430	774069		1274499	1041660

Total

Gross	19	695305	1102320		1797625	2017775
Reinsurance	20	24441	246340		270780	678481
Net	21	670864	855980		1526844	1339295

Long-term insurance business : Analysis of claims

Name of insurer **Canada Life Limited**
 Total business / subfund **Summary**
 Financial year ended **31 December 2009**
 Units **£000**

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

Gross

Death or disability lump sums	11	92902	199552		292454	277936
Disability periodic payments	12	78085	(0)		78084	75447
Surrender or partial surrender	13	279958	156089		436048	395774
Annuity payments	14	10172	942538		952710	897085
Lump sums on maturity	15	50022	7646		57669	71725
Total	16	511139	1305826		1816965	1717966

Reinsurance - external

Death or disability lump sums	21	3364	2028		5391	2244
Disability periodic payments	22	19979			19979	20383
Surrender or partial surrender	23					
Annuity payments	24		73789		73789	75664
Lump sums on maturity	25	1328			1328	1656
Total	26	24670	75817		100487	99947

Reinsurance - intra-group

Death or disability lump sums	31		120223		120223	120119
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34		134173		134173	137066
Lump sums on maturity	35					
Total	36		254396		254396	257185

Net of reinsurance

Death or disability lump sums	41	89539	77301		166840	155572
Disability periodic payments	42	58105	(0)		58105	55064
Surrender or partial surrender	43	279958	156089		436048	395774
Annuity payments	44	10172	734576		744747	684355
Lump sums on maturity	45	48695	7646		56341	70069
Total	46	486469	975613		1462082	1360834

Long-term insurance business : Analysis of claims

Name of insurer **Canada Life Limited**
 Total business / subfund **With-Profits Fund**
 Financial year ended **31 December 2009**
 Units **£000**

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

Gross

Death or disability lump sums	11	1426	17		1443	1959
Disability periodic payments	12	0			0	
Surrender or partial surrender	13	3034	350		3384	2906
Annuity payments	14					
Lump sums on maturity	15	17699	49		17748	24796
Total	16	22159	416		22575	29661

Reinsurance - external

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

Reinsurance - intra-group

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

Net of reinsurance

Death or disability lump sums	41	1426	17		1443	1959
Disability periodic payments	42	0			0	
Surrender or partial surrender	43	3034	350		3384	2906
Annuity payments	44					
Lump sums on maturity	45	17699	49		17748	24796
Total	46	22159	416		22575	29661

Long-term insurance business : Analysis of claims

Name of insurer **Canada Life Limited**
 Total business / subfund **Manulife Fund**
 Financial year ended **31 December 2009**
 Units **£000**

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

Gross

Death or disability lump sums	11	4458	288		4746	4143
Disability periodic payments	12	0			0	
Surrender or partial surrender	13	5859	5847		11706	11581
Annuity payments	14		1834		1834	1912
Lump sums on maturity	15	13365	417		13782	16190
Total	16	23682	8385		32068	33826

Reinsurance - external

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

Reinsurance - intra-group

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

Net of reinsurance

Death or disability lump sums	41	4458	288		4746	4143
Disability periodic payments	42	0			0	
Surrender or partial surrender	43	5859	5847		11706	11581
Annuity payments	44		1834		1834	1912
Lump sums on maturity	45	13365	417		13782	16190
Total	46	23682	8385		32068	33826

Long-term insurance business : Analysis of claims

Name of insurer **Canada Life Limited**
 Total business / subfund **Non-Profit Fund**
 Financial year ended **31 December 2009**
 Units **£000**

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

Gross

Death or disability lump sums	11	87019	199247		286265	271834
Disability periodic payments	12	78084	(0)		78084	75447
Surrender or partial surrender	13	271066	149892		420958	381286
Annuity payments	14	10172	940705		950876	895173
Lump sums on maturity	15	18958	7181		26138	30739
Total	16	465298	1297024		1762322	1654479

Reinsurance - external

Death or disability lump sums	21	3364	2028		5391	2244
Disability periodic payments	22	19979			19979	20383
Surrender or partial surrender	23					
Annuity payments	24		73789		73789	75664
Lump sums on maturity	25	1328			1328	1656
Total	26	24670	75817		100487	99947

Reinsurance - intra-group

Death or disability lump sums	31		120223		120223	120119
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34		134173		134173	137066
Lump sums on maturity	35					
Total	36		254396		254396	257185

Net of reinsurance

Death or disability lump sums	41	83655	76996		160651	149470
Disability periodic payments	42	58105	(0)		58105	55064
Surrender or partial surrender	43	271066	149892		420958	381286
Annuity payments	44	10172	732742		742914	682443
Lump sums on maturity	45	17630	7181		24811	29083
Total	46	440627	966811		1407438	1297347

Long-term insurance business : Analysis of expenses

Name of insurer **Canada Life Limited**
 Total business / subfund **Summary**
 Financial year ended **31 December 2009**
 Units **£000**

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

Gross

Commission - acquisition	11	30409	9828		40237	36760
Commission - other	12	13434	7965		21398	21911
Management - acquisition	13	10703	10749		21453	20121
Management - maintenance	14	18986	20889		39875	34179
Management - other	15	5000	3204		8204	17117
Total	16	78533	52634		131167	130088

Reinsurance - external

Commission - acquisition	21	0			0	0
Commission - other	22	161			161	190
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26	161			161	190

Reinsurance - intra-group

Commission - acquisition	31		360		360	390
Commission - other	32		3241		3241	3525
Management - acquisition	33					
Management - maintenance	34		830		830	864
Management - other	35					
Total	36		4431		4431	4779

Net of reinsurance

Commission - acquisition	41	30409	9468		39877	36369
Commission - other	42	13272	4724		17996	18196
Management - acquisition	43	10703	10749		21453	20121
Management - maintenance	44	18986	20058		39045	33315
Management - other	45	5000	3204		8204	17117
Total	46	78372	48203		126575	125118

Long-term insurance business : Analysis of expenses

Name of insurer **Canada Life Limited**
 Total business / subfund **With-Profits Fund**
 Financial year ended **31 December 2009**
 Units **£000**

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

Gross

Commission - acquisition	11				
Commission - other	12	13	0	13	19
Management - acquisition	13				
Management - maintenance	14	458		458	592
Management - other	15				
Total	16	471	0	471	611

Reinsurance - external

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

Reinsurance - intra-group

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

Net of reinsurance

Commission - acquisition	41				
Commission - other	42	13	0	13	19
Management - acquisition	43				
Management - maintenance	44	458		458	592
Management - other	45				
Total	46	471	0	471	611

Long-term insurance business : Analysis of expenses

Name of insurer **Canada Life Limited**
 Total business / subfund **Manulife Fund**
 Financial year ended **31 December 2009**
 Units **£000**

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

Gross

Commission - acquisition	11				
Commission - other	12	26	1	27	17
Management - acquisition	13				
Management - maintenance	14	1459	349	1808	1992
Management - other	15				
Total	16	1485	349	1835	2009

Reinsurance - external

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

Reinsurance - intra-group

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

Net of reinsurance

Commission - acquisition	41				
Commission - other	42	26	1	27	17
Management - acquisition	43				
Management - maintenance	44	1459	349	1808	1992
Management - other	45				
Total	46	1485	349	1835	2009

Long-term insurance business : Analysis of expenses

Name of insurer **Canada Life Limited**
 Total business / subfund **Non-Profit Fund**
 Financial year ended **31 December 2009**
 Units **£000**

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

Gross

Commission - acquisition	11	30409	9828		40237	36760
Commission - other	12	13394	7964		21358	21876
Management - acquisition	13	10703	10749		21453	20121
Management - maintenance	14	17069	20540		37609	31595
Management - other	15	5000	3204		8204	17117
Total	16	76577	52285		128861	127469

Reinsurance - external

Commission - acquisition	21	0			0	0
Commission - other	22	161			161	190
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26	161			161	190

Reinsurance - intra-group

Commission - acquisition	31		360		360	390
Commission - other	32		3241		3241	3525
Management - acquisition	33					
Management - maintenance	34		830		830	864
Management - other	35					
Total	36		4431		4431	4779

Net of reinsurance

Commission - acquisition	41	30409	9468		39877	36369
Commission - other	42	13233	4723		17956	18160
Management - acquisition	43	10703	10749		21453	20121
Management - maintenance	44	17069	19710		36779	30732
Management - other	45	5000	3204		8204	17117
Total	46	76415	47854		124269	122499

Long-term insurance business : Linked funds balance sheet

Name of insurer **Canada Life Limited**
 Total business
 Financial year ended **31 December 2009**
 Units **£000**

Financial year	Previous year
1	2

Internal linked funds (excluding cross investment)

Directly held assets (excluding collective investment schemes)	11	3141652	2974663
Directly held assets in collective investment schemes of connected companies	12		
Directly held assets in other collective investment schemes	13	1846933	1483404
Total assets (excluding cross investment) (11+12+13)	14	4988584	4458067
Provision for tax on unrealised capital gains	15	4060	2349
Secured and unsecured loans	16		
Other liabilities	17	911448	837126
Total net assets (14-15-16-17)	18	4073076	3618592

Directly held linked assets

Value of directly held linked assets	21	41151	40096
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Total

Value of directly held linked assets and units held (18+21)	31	4114227	3658688
Surplus units	32		
Deficit units	33		
Net unit liability (31-32+33)	34	4114227	3658688

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

Name of insurer **Canada Life Limited**
 Total business
 Financial year ended **31 December 2009**
 Units **£000**

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

Income

Value of total creation of units	11	604181	530319
Investment income attributable to the funds before deduction of tax	12	141590	181948
Increase (decrease) in the value of investments in the financial year	13	319859	(979378)
Other income	14	17663	19825
Total income	19	1083293	(247286)

Expenditure

Value of total cancellation of units	21	520965	482799
Charges for management	22	93006	53183
Charges in respect of tax on investment income	23	11429	3569
Taxation on realised capital gains	24	1019	8212
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25	2389	(6823)
Other expenditure	26		
Total expenditure	29	628808	540940

Increase (decrease) in funds in financial year (19-29)	39	454485	(788226)
Internal linked fund brought forward	49	3618592	4406818
Internal linked funds carried forward (39+49)	59	4073076	3618592

Long-term insurance business : Summary of new business

Name of insurer **Canada Life Limited**
 Total business
 Financial year ended **31 December 2009**
 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**

Regular premium business	11	61744	233460		295204	294427
Single premium business	12	4424	17293		21717	28966
Total	13	66168	250753		316921	323393

**Amount of new regular
premiums**

Direct insurance business	21	16027	27164		43191	42078
External reinsurance	22					
Intra-group reinsurance	23					
Total	24	16027	27164		43191	42078

**Amount of new single
premiums**

Direct insurance business	25	500432	802370		1302802	1465235
External reinsurance	26					
Intra-group reinsurance	27					
Total	28	500432	802370		1302802	1465235

Long-term insurance business : Analysis of new business

Name of insurer **Canada Life Limited**
 Total business
 Financial year ended **31 December 2009**
 Units **£000**
 UK Life / Direct Insurance Business

Product code number 1	Product description 2	Regular premium business		Single premium business	
		Number of policyholders / scheme members 3	Amount of premiums 4	Number of policyholders / scheme members 5	Amount of premiums 6
300	Regular premium non-profit WL/EA OB	2	13		
325	Level term assurance	335	628		
330	Decreasing term assurance	1	2		
350	Stand alone critical illness		1		
360	Income Protector	1	173		
395	Annuity non-profit (PLA)			72	7198
420	Group income protection	58889	14543		
430	Group critical illness	2514	560		
700	Life property linked single premium (Other)				30
700	Life property linked single premium (IPB/EPB/WPB)			62	4703
700	Life property linked single premium (SIB/FIB)			4284	484950
700	Life property linked single premium (SSFA)			6	3551
710	Life property linked whole life regular premium	2	107		

Long-term insurance business : Analysis of new business

Name of insurer **Canada Life Limited**
 Total business
 Financial year ended **31 December 2009**
 Units **£000**
 UK Pension / Direct Insurance Business

Product code number 1	Product description 2	Regular premium business		Single premium business	
		Number of policyholders / scheme members 3	Amount of premiums 4	Number of policyholders / scheme members 5	Amount of premiums 6
400	Annuity non-profit (CPA)			15431	636980
405	Annuity non-profit (CPA impaired life)			743	58284
410	Group Life	233449	26933		
725	Individual pensions property linked (Other)	11	209	18	3333
725	Individual pensions property linked (AGA)			174	13993
730	Individual pensions property linked (increments)				25736
735	Group money purchase pensions property linked		22		101
755	Trustee investment plan			126	13570
900	Index-linked annuity (CPA)			787	49619
905	Index-linked annuity (CPA impaired life)			14	754

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 2009**
 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	991940	994215	72284	7.27	
Approved fixed interest securities	12	2642372	2637987	128767	4.10	
Other fixed interest securities	13	6096594	6149192	395698	6.44	
Variable interest securities	14	258465	215435	22750	1.68	
UK listed equity shares	15	11925	27395	361	3.03	
Non-UK listed equity shares	16					
Unlisted equity shares	17	130383	130383			
Other assets	18	2263990	2241062	97539	4.40	
Total	19	12395670	12395670	717399	5.48	

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

Land and buildings	21		32598	1989	6.10	8.71
Approved fixed interest securities	22	159187	159187	10312	3.12	0.89
Other fixed interest securities	23	24190	24190	2750	6.07	11.65
Variable interest securities	24	13191	13191	227	0.85	5.98
UK listed equity shares	25	51964	51964	2928	5.63	19.87
Non-UK listed equity shares	26					
Unlisted equity shares	27					
Other assets	28	50742	18144	738	2.65	2.54
Total	29	299273	299273	18944	3.99	6.23

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 2009**
 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	991940	994215	72284	7.27	
Approved fixed interest securities	12	2623258	2618873	128126	4.10	
Other fixed interest securities	13	6078532	6131130	394563	6.44	
Variable interest securities	14	258465	215435	22750	1.68	
UK listed equity shares	15	11925	27395	361	3.03	
Non-UK listed equity shares	16					
Unlisted equity shares	17	130383	130383			
Other assets	18	2247848	2224920	97123	4.41	
Total	19	12342352	12342352	715208	5.49	

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

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

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 **13 With-Profits Fund**
 Financial year ended **31 December 2009**
 Units **£000**

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

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

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

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

Land and buildings	21		13704	836	6.10	8.58
Approved fixed interest securities	22	47943	47943	2699	2.57	1.65
Other fixed interest securities	23	10011	10011	620	5.78	12.48
Variable interest securities	24					
UK listed equity shares	25	23805	23805	1339	5.63	19.82
Non-UK listed equity shares	26					
Unlisted equity shares	27					
Other assets	28	19958	6254	121	2.77	2.76
Total	29	101717	101717	5616	4.09	7.97

Overall return on with-profits assets

Post investment costs but pre-tax	31					7.35
Return allocated to non taxable 'asset shares'	32					7.35
Return allocated to taxable 'asset shares'	33					6.41

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 2009**
 Units **£000**

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

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

Land and buildings	11					
Approved fixed interest securities	12	19114	19114	640	3.35	
Other fixed interest securities	13	18062	18062	1134	6.28	
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18	16141	16141	416	2.58	
Total	19	53318	53318	2191	4.11	

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

Land and buildings	21		18894	1153	6.10	8.81
Approved fixed interest securities	22	111244	111244	7613	3.35	0.56
Other fixed interest securities	23	14178	14178	2130	6.28	11.06
Variable interest securities	24	13191	13191	227	0.85	5.98
UK listed equity shares	25	28159	28159	1589	5.64	19.91
Non-UK listed equity shares	26					
Unlisted equity shares	27					
Other assets	28	30784	11890	617	2.58	2.43
Total	29	197556	197556	13328	3.94	5.33

Overall return on with-profits assets

Post investment costs but pre-tax	31					4.56
Return allocated to non taxable 'asset shares'	32					4.56
Return allocated to taxable 'asset shares'	33					4.13

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 2009**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	11	1920537	13.03	3.91	3.91
Other approved fixed interest securities	21	876637	7.65	4.32	4.32
Other fixed interest securities					
AAA/Aaa	31	580892	7.64	5.96	5.29
AA/Aa	32	1489206	9.11	5.73	5.16
A/A	33	2615149	9.09	6.34	5.44
BBB/Baa	34	1221603	8.19	6.95	5.87
BB/Ba	35	241113	7.21	7.89	4.15
B/B	36	11299	5.93	11.91	6.91
CCC/Caa	37	3609	3.27	39.48	34.48
Other (including unrated)	38	10510	5.98	48.05	43.05
Total other fixed interest securities	39	6173381	8.70	6.44	5.48
Approved variable interest securities	41	112312	11.63	0.56	0.56
Other variable interest securities	51	116314	11.88	2.67	2.58
Total (11+21+39+41+51)	61	9199181	9.58	5.59	4.94

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 2009**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	11	1757319	13.61	3.99	3.99
Other approved fixed interest securities	21	861554	7.75	4.34	4.34
Other fixed interest securities					
AAA/Aaa	31	576210	7.66	5.96	5.29
AA/Aa	32	1481007	9.13	5.73	5.16
A/A	33	2590742	9.11	6.34	5.44
BBB/Baa	34	1216640	8.19	6.94	5.87
BB/Ba	35	241113	7.21	7.89	4.15
B/B	36	11299	5.93	11.91	6.91
CCC/Caa	37	3609	3.27	39.48	34.48
Other (including unrated)	38	10510	5.98	48.05	43.05
Total other fixed interest securities	39	6131130	8.71	6.44	5.48
Approved variable interest securities	41	101952	11.95	0.53	0.53
Other variable interest securities	51	113483	12.03	2.71	2.63
Total (11+21+39+41+51)	61	8965438	9.66	5.64	4.99

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 2009**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	11	43643	4.88	2.66	2.66
Other approved fixed interest securities	21	4300	1.88	1.71	1.71
Other fixed interest securities					
AAA/Aaa	31	1873	4.98	6.85	6.29
AA/Aa	32	2116	6.53	5.38	4.69
A/A	33	6022	6.94	5.58	4.46
BBB/Baa	34				
BB/Ba	35				
B/B	36				
CCC/Caa	37				
Other (including unrated)	38				
Total other fixed interest securities	39	10011	6.49	5.78	4.85
Approved variable interest securities	41				
Other variable interest securities	51				
Total (11+21+39+41+51)	61	57954	4.94	3.13	2.97

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 2009**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	11	119575	7.49	3.28	3.28
Other approved fixed interest securities	21	10783	2.11	4.13	4.13
Other fixed interest securities					
AAA/Aaa	31	2809	4.98	6.85	6.29
AA/Aa	32	6083	6.48	6.20	5.52
A/A	33	18384	6.87	5.91	4.79
BBB/Baa	34	4963	8.48	7.42	6.11
BB/Ba	35				
B/B	36				
CCC/Caa	37				
Other (including unrated)	38				
Total other fixed interest securities	39	32240	6.88	6.28	5.26
Approved variable interest securities	41	10360	8.49	0.81	0.81
Other variable interest securities	51	2831	5.96	0.99	0.90
Total (11+21+39+41+51)	61	175789	7.08	3.70	3.51

Long-term insurance business : Summary of mathematical reserves

Name of insurer **Canada Life Limited**
 Total business / subfund **Summary**
 Financial year ended **31 December 2009**
 Units **£000**

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

Gross

Form 51 - with-profits	11	225710	5820		231530	265159
Form 51 - non-profit	12	697663	10880946		11578609	11033010
Form 52	13					
Form 53 - linked	14	2002700	2111527		4114227	3658688
Form 53 - non-linked	15	(78600)	30168		(48432)	(42932)
Form 54 - linked	16	121398	1352054		1473452	1325930
Form 54 - non-linked	17					
Total	18	2968871	14380515		17349386	16239855

Reinsurance - external

Form 51 - with-profits	21					
Form 51 - non-profit	22	114160	63875		178035	161345
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26	14913	(7637)		7276	3013
Form 54 - non-linked	27					
Total	28	129073	56238		185311	164358

Reinsurance - intra-group

Form 51 - with-profits	31					
Form 51 - non-profit	32	1876	1387953		1389829	1454547
Form 52	33					
Form 53 - linked	34					
Form 53 - non-linked	35					
Form 54 - linked	36		218855		218855	216698
Form 54 - non-linked	37					
Total	38	1876	1606808		1608684	1671245

Net of reinsurance

Form 51 - with-profits	41	225710	5820		231530	265159
Form 51 - non-profit	42	581627	9429118		10010745	9417118
Form 52	43					
Form 53 - linked	44	2002700	2111527		4114227	3658688
Form 53 - non-linked	45	(78600)	30168		(48432)	(42932)
Form 54 - linked	46	106485	1140836		1247321	1106219
Form 54 - non-linked	47					
Total	48	2837922	12717469		15555391	14404252

Long-term insurance business : Summary of mathematical reserves

Name of insurer **Canada Life Limited**
 Total business / subfund **With-Profits Fund**
 Financial year ended **31 December 2009**
 Units **£000**

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

Gross

Form 51 - with-profits	11	72501	2595		75096	92276
Form 51 - non-profit	12					
Form 52	13					
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16					
Form 54 - non-linked	17					
Total	18	72501	2595		75096	92276

Reinsurance - external

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

Reinsurance - intra-group

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

Net of reinsurance

Form 51 - with-profits	41	72501	2595		75096	92276
Form 51 - non-profit	42					
Form 52	43					
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46					
Form 54 - non-linked	47					
Total	48	72501	2595		75096	92276

Long-term insurance business : Summary of mathematical reservesName of insurer **Canada Life Limited**Total business / subfund **Manulife Fund**Financial year ended **31 December 2009**

Units

£000

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

Gross

Form 51 - with-profits	11	153209	3225		156434	172883
Form 51 - non-profit	12	3875	46311		50186	56658
Form 52	13					
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16					
Form 54 - non-linked	17					
Total	18	157084	49536		206620	229541

Reinsurance - external

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

Reinsurance - intra-group

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

Net of reinsurance

Form 51 - with-profits	41	153209	3225		156434	172883
Form 51 - non-profit	42	3875	46311		50186	56658
Form 52	43					
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46					
Form 54 - non-linked	47					
Total	48	157084	49536		206620	229541

Long-term insurance business : Summary of mathematical reserves

Name of insurer **Canada Life Limited**
 Total business / subfund **Non-Profit Fund**
 Financial year ended **31 December 2009**
 Units **£000**

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

Gross

Form 51 - with-profits	11				
Form 51 - non-profit	12	693788	10834635	11528423	10976352
Form 52	13				
Form 53 - linked	14	2002700	2111527	4114227	3658688
Form 53 - non-linked	15	(78600)	30168	(48432)	(42932)
Form 54 - linked	16	121398	1352054	1473452	1325930
Form 54 - non-linked	17				
Total	18	2739286	14328384	17067670	15918038

Reinsurance - external

Form 51 - with-profits	21				
Form 51 - non-profit	22	114160	63875	178035	161345
Form 52	23				
Form 53 - linked	24				
Form 53 - non-linked	25				
Form 54 - linked	26	14913	(7637)	7276	3013
Form 54 - non-linked	27				
Total	28	129073	56238	185311	164358

Reinsurance - intra-group

Form 51 - with-profits	31				
Form 51 - non-profit	32	1876	1387953	1389829	1454547
Form 52	33				
Form 53 - linked	34				
Form 53 - non-linked	35				
Form 54 - linked	36		218855	218855	216698
Form 54 - non-linked	37				
Total	38	1876	1606808	1608684	1671245

Net of reinsurance

Form 51 - with-profits	41				
Form 51 - non-profit	42	577752	9382807	9960559	9360460
Form 52	43				
Form 53 - linked	44	2002700	2111527	4114227	3658688
Form 53 - non-linked	45	(78600)	30168	(48432)	(42932)
Form 54 - linked	46	106485	1140836	1247321	1106219
Form 54 - non-linked	47				
Total	48	2608337	12665338	15273675	14082435

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 **With-Profits Fund**
 Financial year ended **31 December 2009**
 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	3258	26231	177				20367
120	Conventional endowment with-profits OB savings	1093	12549	433				9893
125	Conventional endowment with-profits OB target cash	4373	50196	1732				39573
165	Conventional deferred annuity with-profits	16	26					189
205	Miscellaneous conventional with-profits		24764	109				359
210	Additional reserves with-profits OB (Reserve for Capital Gains Tax)							2120

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 **Manulife Fund**
 Financial year ended **31 December 2009**
 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	17827	201032	1509				122135
120	Conventional endowment with-profits OB savings	1354	17201	296				16352
125	Conventional endowment with-profits OB target cash	902	11461	197				10895
205	Miscellaneous conventional with-profits		27639	183				417
210	Additional reserves with-profits OB (expense reserve)							2700
210	Additional reserves with-profits OB (reserve for Capital Gains Tax)							710
300	Regular Premium non-profit WL / EA OB (whole life)	739	5474	82				3753
395	Annuity non-profit (PLA)	40	26					216
435	Miscellaneous non-profit	2245	74026	587				(94)

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 **Manulife Fund**
 Financial year ended **31 December 2009**
 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
165	Conventional deferred annuity with-profits	218	202					3197
175	Group conventional deferred annuity with-profits	32	2					28
315	Individual deposit administration non-profit	2237		152				29695
325	Level Term Assurance	125	3051	10				50
390	Deferred Annuity Non-profit	1	1					10
400	Annuity non-profit (CPA)	2140	1770					16556

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 **Non-Profit Fund**
 Financial year ended **31 December 2009**
 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 WL/EA OB (Whole Life)	2412	17590	147				26316
300	Regular premium non-profit WL/EA OB (Lifetime Protector)	932	175870	2995				27701
300	Regular premium non-profit WL/EA OB (Endowment)	599	3973	34				6910
360	Income protection non-profit (guaranteed premiums)	19324	340881	9430				16901
385	Income protection claims in payment	348	3424					30965
395	Annuity non-profit (PLA) (Pre 1992)	161	181					1258
395	Annuity non-profit (PLA) (Post 1992)	1364	7948					63631
395	Annuity non-profit (PLA - SSFA)	45	1244					2408
410	Group Life (Unapproved)	129550	13138790	14162				3240
420	Group Income Protection	379172	9414931	115646				26481
425	Group Income Protection claims in payment	3251	66347					459459
435	Miscellaneous non-profit	64835	5002202	16100				10421
440	Additional reserves non-profit OB (End't review)							745
440	Additional reserves non-profit OB (Tax)							17352

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 **Non-Profit Fund**
 Financial year ended **31 December 2009**
 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)		101344	2394				707
385	Income protection claims in payment		641					5281
410	Group Life (Unapproved)		97295	231				115
425	Group Income Protection claims in payment		15594					105124
435	Miscellaneous non-profit		2883046	8001				2933

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 **Non-Profit Fund**
 Financial year ended **31 December 2009**
 Units **£000**
 UK Life / Reinsurance ceded intra-group

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
410	Group Life (Unapproved)		7819548	8351				1876

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 **Non-Profit Fund**
 Financial year ended **31 December 2009**
 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
315	Individual deposit administration non-profit (with GAO)	296		15				5411
315	Individual deposit administration non-profit (Keybond)							15086
315	Individual deposit administration non-profit (Other)	110		7				3423
320	Group deposit administration non-profit (Exec with GAO)	114						2514
320	Group deposit administration non-profit (Exec without GAO)							91
390	Deferred Annuity non-profit	381	1138					22286
400	Annuity non-profit (CPA)	152493	449869					5767290
400	Annuity non-profit (CPA - PALAL)	47828	136691					1483888
400	Annuity non-profit (CPA - Equitable)	108085	261221					3073970
400	Annuity non-profit (CPA AGA) Lifetime	780	4521					61607
400	Annuity non-profit (CPA AGA) Temporary	2852	17392					44484
405	Annuity non-profit (CPA Impaired Life)	1139	7441					95195
410	Group Life (Approved)	2375582	246041815	274835				88342
411	Annuity non-profit (DIS)	1213	7229					162599
435	Miscellaneous non-profit	2621	113086	469				1468

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 **Non-Profit Fund**
 Financial year ended **31 December 2009**
 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
400	Annuity non-profit (CPA - Equitable)		65306					13799
405	Annuity non-profit (CPA Impaired Life)		3721					47366
410	Group Life (Approved)		1821933	4467				2097
435	Miscellaneous non-profit		26513	110				613

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

Name of insurer **Canada Life Limited**
 Total business / subfund **Non-Profit Fund**
 Financial year ended **31 December 2009**
 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	12414	176051		174561	174561	1642	176203
700	Life property linked single premium (WPB/EPB/IPB)	4382	121677		120711	120711	820	121531
700	Life property linked single premium (SIB&FIB)	23493	1347045		1334121	1334121	(84095)	1250026
700	Life property linked single premium (SSFA)				28543	28543	(978)	27565
710	Life property linked whole life regular premium	19466	885558	8072	97888	97689	1009	98698
715	Life property linked endowment regular premium - savings	11020	216574	3937	135195	135182	1673	136855
720	Life property linked endowment regular premium - target cash	8233	293824	6296	108610	108610	1320	109930
795	Miscellaneous property linked	11	14		3283	3283	9	3292

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

Name of insurer **Canada Life Limited**
 Total business / subfund **Non-Profit Fund**
 Financial year ended **31 December 2009**
 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)	5983	87745	377	85349	82423	(2191)	80232
735	Group money purchase pensions property linked (Exec with GAO)	1090	18425	27	18223	17388	844	18232
800	Additional reserves property linked (GAO)				36110	36110	14047	50157
725	Individual pensions property linked (Keybond)				17393	17393	2028	19421
725	Individual pensions property linked (Other)	130505	1505865	18263	1527523	1503551	17700	1521251
735	Group money purchase pensions property linked (Exec without GAO)	5171	88459	944	89501	84889	3921	88810
755	Trustee Investment Plan	335	37306		37010	36851	(1579)	35272
725	Individual pensions property linked (AGA)				172696	172696	(4855)	167841
735	Group money purchase pensions property linked	3224	11299	373	12324	11744	55	11799
735	Group money purchase pensions property linked (GRA)	88		281	14409	13831		13831
735	Group money purchase pensions property linked (Staff Pens)				133981	133981		133981
795	Miscellaneous property linked (part)	27			472	472		472
795	Miscellaneous property linked	10	211		198	198	198	396

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

Name of insurer **Canada Life Limited**
 Total business / subfund **Non-Profit Fund**
 Financial year ended **31 December 2009**
 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
901	Income protection claims in payment (RPI)	42	731		5557	5557		5557
901	Income protection claims in payment (NAEI)	9	141		868	868		868
902	Group Income Protection claims in payment (RPI)	933	20071		91978	91978		91978
902	Group Income Protection claims in payment (LPI)	182	4405		22995	22995		22995

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

Name of insurer **Canada Life Limited**
 Total business / subfund **Non-Profit Fund**
 Financial year ended **31 December 2009**
 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)		355		2449	2449		2449
901	Income protection claims in payment (NAEI)		47		342	342		342
902	Group Income Protection claims in payment (RPI)		1337		8537	8537		8537
902	Group Income Protection claims in payment (LPI)		523		3585	3585		3585

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

Name of insurer **Canada Life Limited**
 Total business / subfund **Non-Profit Fund**
 Financial year ended **31 December 2009**
 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)	1119	2982		77148	77148		77148
905	Index linked annuity (CPA) (RPI)	2892	11341		247753	247753		247753
905	Index linked annuity (CPA - PALAL) (LPI)	148	792		16525	16525		16525
905	Index linked annuity (CPA - PALAL) (RPI)	583	11599		154476	154476		154476
905	Index linked annuity (CPA - Equitable) (LPI)	877	1097		20695	20695		20695
905	Index linked annuity (CPA - Equitable) (RPI)	8666	36577		562707	562707		562707
905	Index linked annuity (CPA - Equitable) (PIA)	269	1254		17526	17526		17526
905	Index linked annuity (DIS) (LPI)	515	3866		118573	118573		118573
905	Index linked annuity (DIS) (RPI)	635	4607		134488	134488		134488
905	Index linked annuity (CPA Impaired) (RPI)	16	54		1141	1141		1141
905	Index linked annuity (CPA Impaired) (LPI)	11	34		798	798		798
905	Index linked annuity (CPA AGA) Lifetime (RPI)	2	10		224	224		224

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

Name of insurer **Canada Life Limited**
 Total business / subfund **Non-Profit Fund**
 Financial year ended **31 December 2009**
 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)		275		(152)	(152)		(152)
905	Index linked annuity (CPA - Equitable) (RPI)		9145		(8419)	(8419)		(8419)
905	Index linked annuity (CPA - Equitable) (PIA)		314		(29)	(29)		(29)
905	Index linked annuity (CPA Impaired) (RPI)		27		567	567		567
905	Index linked annuity (CPA Impaired) (LPI)		17		396	396		396

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

Name of insurer **Canada Life Limited**
 Total business / subfund **Non-Profit Fund**
 Financial year ended **31 December 2009**
 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)		317		6559	6559		6559
905	Index linked annuity (CPA - PALAL) (RPI)		4640		61495	61495		61495
905	Index linked annuity (CPA - Equitable) (LPI)		170		5127	5127		5127
905	Index linked annuity (CPA - Equitable) (RPI)		5642		141320	141320		141320
905	Index linked annuity (CPA - Equitable) (PIA)		194		4354	4354		4354

Long-term insurance business : Unit prices for internal linked fundsName of insurer **Canada Life Limited**

Total business

Financial year ended **31 December 2009**Units **£000**

Fund name	Type of fund	Net assets	Main series	Unit management charge	Price at previous valuation date	Price at current valuation date	Change in price during year
1	2	3	4	5	6	7	8
Canada Life Managed Pension Fund	12 - individual pension - balanced managed fund	786902	CLMF044P2A	1.25	3.6572	4.2496	16.20
Multiple Investment Pension Fund	12 - individual pension - balanced managed fund	619038	CLMF809P4A	1.00	37.5265	43.6165	16.23
Canada Life Managed Life Fund	02 - life - balanced managed fund	206360	CLMF051L2A	1.25	11.4264	13.1112	14.74
Canada Life Defensive Managed Life Fund	03 - life - defensive managed fund	201935	CLMF360L4A	0.35	1.3663	1.4093	3.14
Multiple Investment Life Fund	02 - life - balanced managed fund	147028	CLMF309L3A	1.00	14.7179	17.0329	15.73
Canlife Bank Deposit Fund 1	04 - life - other managed fund	145783	CLMF547L3A	1.00		0.9581	
Money Life Fund	04 - life - other managed fund	144195	CLMF305L3A	1.00	5.2654	5.3007	0.67
Cautious Managed Life Fund	03 - life - defensive managed fund	107936	CLMF307L3A	1.00	3.1283	3.4225	9.40

Long-term insurance business : Index linked business

Name of insurer **Canada Life Limited**
 Total business
 Financial year ended **31 December 2009**
 Units **£000**

Value of assets	Mean Term
1	2

Analysis of assets

Approved variable interest securities	11	732009	11.76
Other variable interest securities	12	169201	11.31
Approved fixed interest securities	13	109380	15.20
Other fixed interest securities	14	94249	9.26
Cash and deposits	15	84388	
Equity index derivatives	16		
Inflation swaps	17	13068	
Other assets	18	45025	
Variation margin	19		
Total (11 to 19)	20	1247320	

Credit rating of other fixed interest and other variable interest securities

AAA/Aaa	31	22010	15.45
AA/Aa	32	83944	8.84
A/A	33	84734	10.02
BBB/Baa	34	65734	11.94
BB/Ba	35	7028	9.91
B/B	36		
CCC/Caa	37		
Other (including unrated)	38		
Total other fixed interest and other variable interest securities	39	263450	10.57

Long-term insurance business: Analysis of valuation interest rateName of insurer **Canada Life Limited**Subfund **Non-Profit Fund**Financial year ended **31 December 2009**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
UK PHI Form 51 Group PHI claims	354335	4.51	4.51	4.86
UK Pens Form 51 Annuities in payment (CPA)	5767478	5.38	5.38	5.52
UK Pens Form 51 Annuities in payment (CPA - PALAL)	894965	5.39	5.39	5.53
UK Pens Form 51 Annuities in payment (CPA - Equitable)	2303683	5.40	5.40	5.55
UK Pens Form 51 Annuities in payment (EA)	47829	4.48	4.48	4.72
UK Pens Form 51 Annuities in payment (DIS)	162599	4.71	4.71	5.04
Misc	381238	n/a	n/a	4.00
Total	9912127			

Long-term insurance business : Distribution of surplus

Name of insurer **Canada Life Limited**
 Total business / subfund **Summary**
 Financial year ended **31 December 2009**
 Units **£000**

Financial year	Previous year
1	2

Valuation result

Fund carried forward	11	15728588	14577897
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13	120000	75000
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	15848588	14652897
Mathematical reserves	21	15555390	14404250
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	293198	248647

Composition of surplus

Balance brought forward	31	161815	161606
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	131383	87041
Total	39	293198	248647

Distribution of surplus

Bonus paid in anticipation of a surplus	41		
Cash bonuses	42	108	120
Reversionary bonuses	43	2500	3002
Other bonuses	44	5900	8710
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	8508	11832
Net transfer out of fund / part of fund	47	120000	75000
Total distributed surplus (46+47)	48	128508	86832
Surplus carried forward	49	164690	161815
Total (48+49)	59	293198	248647

Percentage of distributed surplus allocated to policyholders

Current year	61		
Current year - 1	62		
Current year - 2	63		
Current year - 3	64		

Long-term insurance business : Distribution of surplus

Name of insurer **Canada Life Limited**
 Total business / subfund **With-Profits Fund**
 Financial year ended **31 December 2009**
 Units **£000**

Financial year	Previous year
1	2

Valuation result

Fund carried forward	11	91573	110091
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	91573	110091
Mathematical reserves	21	75095	92275
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	16478	17816

Composition of surplus

Balance brought forward	31	11802	11756
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	4676	6060
Total	39	16478	17816

Distribution of surplus

Bonus paid in anticipation of a surplus	41		
Cash bonuses	42		
Reversionary bonuses	43	1300	1597
Other bonuses	44	3300	4417
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	4600	6014
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	4600	6014
Surplus carried forward	49	11878	11802
Total (48+49)	59	16478	17816

Percentage of distributed surplus allocated to policyholders

Current year	61	100.00	100.00
Current year - 1	62	100.00	100.00
Current year - 2	63	100.00	100.00
Current year - 3	64	100.00	100.00

Long-term insurance business : Distribution of surplus

Name of insurer **Canada Life Limited**
 Total business / subfund **Manulife Fund**
 Financial year ended **31 December 2009**
 Units **£000**

Financial year	Previous year
1	2

Valuation result

Fund carried forward	11	223178	248200
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	223178	248200
Mathematical reserves	21	206620	229540
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	16558	18660

Composition of surplus

Balance brought forward	31	12842	12670
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	3716	5990
Total	39	16558	18660

Distribution of surplus

Bonus paid in anticipation of a surplus	41		
Cash bonuses	42	108	120
Reversionary bonuses	43	1200	1405
Other bonuses	44	2600	4293
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	3908	5818
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	3908	5818
Surplus carried forward	49	12650	12842
Total (48+49)	59	16558	18660

Percentage of distributed surplus allocated to policyholders

Current year	61	100.00	100.00
Current year - 1	62	100.00	100.00
Current year - 2	63	100.00	100.00
Current year - 3	64	100.00	100.00

Long-term insurance business : Distribution of surplus

Name of insurer **Canada Life Limited**
 Total business / subfund **Non-Profit Fund**
 Financial year ended **31 December 2009**
 Units **£000**

Financial year	Previous year
1	2

Valuation result

Fund carried forward	11	15413837	14219606
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13	120000	75000
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	15533837	14294606
Mathematical reserves	21	15273675	14082435
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	260162	212171

Composition of surplus

Balance brought forward	31	137171	137180
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	122991	74991
Total	39	260162	212171

Distribution of surplus

Bonus paid in anticipation of a surplus	41		
Cash bonuses	42		
Reversionary bonuses	43		
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46		
Net transfer out of fund / part of fund	47	120000	75000
Total distributed surplus (46+47)	48	120000	75000
Surplus carried forward	49	140162	137171
Total (48+49)	59	260162	212171

Percentage of distributed surplus allocated to policyholders

Current year	61		
Current year - 1	62		
Current year - 2	63		
Current year - 3	64		

Long-term insurance business : With-profits payouts 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 2010**

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	0	n/a	n/a	0
Endowment assurance	15	11535	0	0	CWP	N	0
Endowment assurance	20	20401	1855	0	CWP	N	0
Endowment assurance	25	35947	6239	0	CWP	N	0
Regular premium pension	5	n/a	n/a	0	n/a	n/a	0
Regular premium pension	10	n/a	n/a	0	n/a	n/a	0
Regular premium pension	15	n/a	n/a	0	n/a	n/a	0
Regular premium pension	20	n/a	n/a	0	n/a	n/a	0
Single premium pension	5	n/a	n/a	0	n/a	n/a	0
Single premium pension	10	n/a	n/a	0	n/a	n/a	0
Single premium pension	15	n/a	n/a	0	n/a	n/a	0
Single premium pension	20	n/a	n/a	0	n/a	n/a	0

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

Name of insurer **Canada Life Limited**
Original insurer **UK Branch of Canada Life Assurance Company**
Date of surrender value **01 March 2010**

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	0	n/a	n/a	0
Endowment assurance	10	n/a	n/a	0	n/a	n/a	0
Endowment assurance	15	9107	0	0	CWP	N	0
Endowment assurance	20	17269	822	0	CWP	N	0
With-profits bond	2	n/a	n/a	0	n/a	n/a	0
With-profits bond	3	n/a	n/a	0	n/a	n/a	0
With-profits bond	5	n/a	n/a	0	n/a	n/a	0
With-profits bond	10	n/a	n/a	0	n/a	n/a	0
Single premium pension	2	n/a	n/a	0	n/a	n/a	0
Single premium pension	3	n/a	n/a	0	n/a	n/a	0
Single premium pension	5	n/a	n/a	0	n/a	n/a	0
Single premium pension	10	n/a	n/a	0	n/a	n/a	0

Long-term insurance business : With-profits payouts 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 2010**

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	0	n/a	n/a	0
Endowment assurance	15	n/a	n/a	0	n/a	n/a	0
Endowment assurance	20	n/a	n/a	0	n/a	n/a	0
Endowment assurance	25	37327	3699	0	CWP	N	0
Regular premium pension	5	n/a	n/a	0	n/a	n/a	0
Regular premium pension	10	n/a	n/a	0	n/a	n/a	0
Regular premium pension	15	n/a	n/a	0	n/a	n/a	0
Regular premium pension	20	n/a	n/a	0	n/a	n/a	0
Single premium pension	5	n/a	n/a	0	n/a	n/a	0
Single premium pension	10	n/a	n/a	0	n/a	n/a	0
Single premium pension	15	n/a	n/a	0	n/a	n/a	0
Single premium pension	20	n/a	n/a	0	n/a	n/a	0

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

Name of insurer **Canada Life Limited**
Original insurer **UK Branch of The Manufacturers Life Assurance Company**
Date of surrender value **01 March 2010**

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	0	n/a	n/a	0
Endowment assurance	10	n/a	n/a	0	n/a	n/a	0
Endowment assurance	15	n/a	n/a	0	n/a	n/a	0
Endowment assurance	20	n/a	n/a	0	n/a	n/a	0
With-profits bond	2	n/a	n/a	0	n/a	n/a	0
With-profits bond	3	n/a	n/a	0	n/a	n/a	0
With-profits bond	5	n/a	n/a	0	n/a	n/a	0
With-profits bond	10	n/a	n/a	0	n/a	n/a	0
Single premium pension	2	n/a	n/a	0	n/a	n/a	0
Single premium pension	3	n/a	n/a	0	n/a	n/a	0
Single premium pension	5	n/a	n/a	0	n/a	n/a	0
Single premium pension	10	n/a	n/a	0	n/a	n/a	0

Long-term insurance capital requirement

Name of insurer **Canada Life Limited**
 Global business
 Financial year ended **31 December 2009**
 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%	259094950	134253969	0.52	133987	120739
Classes I (other), II and IX	13	0.15%	431567	140382		335	405
Classes I (other), II and IX	14	0.3%	2767169	1246454		4293	4750
Classes III, VII and VIII	15	0.3%	1747003	1747003	1.00	5241	6296
Total	16		264040689	137387808		143855	132190

Insurance health risk and life protection reinsurance capital component

Class IV supplementary classes 1 and 2 and life protection reinsurance	21					10110	10110
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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%	11270613	9815803	0.87	98158	92634
Classes III, VII and VIII (investment risk)	33	1%	1749969	1538751	0.88	15388	14608
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%	101658	101658	1.00	1017	903
Classes III, VII and VIII (other)	35	25%				2555	2018
Class IV (other)	36	1%	663649	535682	0.85	5641	5393
Class V	37	1%					
Class VI	38	1%					
Total	39					122758	115556

Insurance market risk capital component

Life protection and permanent health reinsurance	41	0%					
Classes I (other), II and IX	42	3%	11270613	9815803	0.87	294474	277903
Classes III, VII and VIII (investment risk)	43	3%	1749969	1538751	0.88	46163	43824
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%	101658	101658			
Classes III, VII and VIII (other)	45	0%	3565999	3565999			
Class IV (other)	46	3%	663649	535682	0.85	16923	16179
Class V	47	0%					
Class VI	48	3%					
Total	49		17351888	15557893		357560	337905

Long term insurance capital requirement	51					634283	595760
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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 2009

***0201* Section 148 Waivers**

The FSA, on the application of the firm, made a direction under section 148 of the Financial Services and Markets Act 2000 in May 2005. The effect of the direction is to modify the provisions of INSPRU 3.1.35R and IPRU(INS) Appendix 9.3 so that a more appropriate rate of interest is used for assets taken in combination.

The FSA made a second direction, which amends INSPRU 2.1.22R by the addition of a new subparagraph. The effect of this direction is to deem a group of persons as being not closely related by reason of the relationship described in INSPRU 2.1.40R(1) if control is exercised by, or on behalf of, HM Treasury.

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

	<i>2009</i>
	<i>£'000s</i>
Form 13.01.89	723,316
Form 13.89	18,145,214
Sub total	<u>18,868,531</u>
Form 14.11	15,563,791
Form 14.12	108
Form 14.49	2,278,559
Form 15.69	330,000
Sub total	<u>18,172,458</u>
Net admissible assets	696,072
Reconciled by:	
Subordinated loan capital	<u>330,000</u>
Total capital resources after deductions	<u>1,026,072</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 less repayments of £33.1m and £60m which has been fully repaid. These treaties are with connected parties.

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

	2009 £'000
<i>Negative valuation differences</i>	
Mortgage valuation difference - assets	(29,392)
Ceded reserves difference	(4,166)
<i>Positive valuation differences</i>	
Financial reinsurance - ceded	6,875
Onerous contract provision	355
Longevity reinsurance difference	588
Mortgage valuation difference - reserves	28,077
Negative sterling reserves on investment contracts	<u>58,022</u>
 Total valuation differences	 <u><u>60,359</u></u>

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

	2009 £'000s
Form 3.12 (2009)	625,233
Form 3.12 (2008)	495,308
Movement in profit & loss a/c per Form 3	<u>129,925</u>
Long-term business profits retained within the long-term fund	<u>(14,249)</u>
 Form 16.59	 <u><u>115,676</u></u>

***1104* Discounting**

Provisions for outstanding claims included in line 51 have been discounted where they are in respect of claims in the form of annuities.

***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 23 issuers. These limits relate to outstanding exposures at the time of purchase. Downgrades do not trigger forced selling.

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

***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 (£120.0m) and a current tax debtor (£7.4m).

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 (£3.1m), amounts owed to the company due to outstanding broker settlements (£1.9m), tax debtors (£0.9m) and other debtors (£1.0m).

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

The balances at Line 101 include the following:-

	2009 £'000
Long term business fund	
Derivative reclassified to other creditors	<u>3,104</u>
Long term business fund valuation differences	<u>3,104</u>
Other than long term business fund	
Tax debtor reclassified to other creditors	(7,510)
Net off asset/liability: cash transfer to other than long term business fund	<u>(120,000)</u>
Other than long term business fund valuation differences	<u>(127,510)</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 continued in 2009. These have now been largely completed. A number of cases are in the process of redress payment, for which a prudent provision of £1.2m (2008: £1.9m) has been made. These are due to be completed by 30 April 2010.
- (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:-

	2009
	£'000
Ceded reserves difference	(4,166)
Onerous contract provision	355
Longevity reinsurance difference	588
Financial reinsurance - ceded	6,875
Negative sterling reserves on investment contracts	58,022
Deferred income reserve	74,304
Deferred tax in respect of profit recognition timing differences	(2,310)
Mortgage valuation difference	28,077
Index linked liability	3,104
Cash transfer to other than long term business fund	<u>(120,000)</u>
Total valuation differences	<u>44,849</u>

***1507* Details of "other adjustments" included at line 83 of the reconciliation**

The balance at Line 83 includes the following:-

	2009
	£'000
Tax debtor reclassified to other creditors	(7,078)

***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.

***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 £19.6m 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 of £8.5m comprises cash bonuses, terminal bonuses on claims, and bad debt provisions.

***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 2009, 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 £66.9m.

The company has three 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 and the company's group life business. 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 25% of the annuity business acquired from The Equitable Life Assurance Society in 2006. The third agreement is to reinsure 60% of the company's group life business.

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 £93.1m.

The company has two loans with The Great-West Life Assurance Company (a parent company) for £150m and £5m. The former loan has not been treated as admissible in this return. The second loan was repaid on 2 February 2010.

***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**

	2009
	£'000
Form 13 Line 59 Assets held to match linked liabilities: property linked	4,202,952
Less Liabilities of the property linked funds	<u>88,725</u>
Form 44 row 34 Net unit liability	<u>4,114,227</u>

***4502* Other income and expenditure**

Other income comprises of £17.7m 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) as appropriate.

***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 derived from the ratings published by three external ratings agencies (Standard and Poor's, Moody's Investors Service and Fitch Ratings) where we use the second highest published rating

***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 policies includes regular premium non-profit endowment policies, level term assurances, decreasing term assurances, deferred annuity non-profit policies and protection rider benefits on non-participating policies.

***5104* and *5304* 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 less than 3 times the basic sum assured is target cash. The proportions have been rounded to the nearest 10%.

In property linked approximations are used to apportion the business between product codes 315 (Individual deposit administration non-profit (with GAO and other) and 725 (Individual pensions property-linked (with GAO and other) and between codes 320 (Group deposit administration non-profit (exec with GAO) and 735 (Group money purchase pensions property linked (exec with GAO)). The split of policy holders and reserves is calculated as the ratio of the value of deposit administration units/building society units to the total value of units.

***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).

***5601* Rating agency used to provide the split by credit rating**

The ratings are determined by using external credit ratings from Fitch Ratings, Standard & Poor's Corporation and Moody's Investors Service. If there is more than one rating available then the second highest rating is taken. If there is no external rating available then the company's internal rating has been used. These are determined based on an assessment of the credit quality of the asset.

***5703* Yields to which a risk adjustment was applied**

Non-Profit Fund Life Business: product group	Unadjusted	Risk adjusted
Annuities in payment (PLA)	4.72%	4.50%
Income protection non-linked claims in payment	4.69%	4.54%
Income protection index-linked claims in payment	1.18%	1.09%
Group PHI claims non-linked claims in payment	5.34%	4.86%
Group PHI claims index-linked claims in payment	1.57%	1.45%
Non-Profit Fund Pensions Business: product group	Unadjusted	Risk adjusted
Annuities in payment (CPA) non-linked	6.13%	5.52%
Annuities in payment (CPA) index-linked	1.19%	0.99%
Annuities in payment (CPA - PALAL) non-linked	6.25%	5.53%
Annuities in payment (CPA - PALAL) index-linked	0.93%	0.93%
Annuities in payment (CPA - ELAS) non-linked	6.18%	5.55%
Annuities in payment (CPA - ELAS) index-linked	2.64%	1.92%
Enhanced Annuities non-linked	5.29%	4.72%
Enhanced Annuities index-linked	1.16%	1.16%
Annuities in payment (DIS) non-linked	5.47%	5.04%
Annuities in payment (DIS) index-linked	0.78%	0.78%
Annuities in payment (CPA - AGA Lifetime)	4.17%	4.12%

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 2009

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 2009

(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 2009; 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 2009; 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 2009; 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 2009; 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 2009; 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 2009; 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 2009; 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 72.68% by Power Financial Corporation at 31 December 2009; 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 66.29% by Power Corporation of Canada at 31 December 2009; 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 4th November 1999. 'Ex ALAC' refers to funds or products which were in the Albany Life Assurance Company Limited before the 4th 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 2009.
- (2) The date of the previous investigation under rule 9.4 of IPRU(INS) was 31 December 2008.
- (3) No interim valuations have taken place.

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

Annuities sold from 9th December 2009 have been priced taking account of a person's postcode as a rating factor for mortality.

The term protector product was repriced in April 2009.

From February 2009 limited-term group income protection plans included an option to add an employer's lump sum benefit.

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.

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

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 304 policies where a change was permitted with a total annual premium of £123K and total annual benefit of £7,867K.

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 2009, approximately £216m of annual premium was reviewed in 2009. 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 2009	4.60%
16 January to 15 February 2009	4.75%
16 February to 15 March 2009	4.30%
16 March to 15 April 2009	4.05%
16 April to 15 May 2009	3.70%
16 May to 15 June 2009	3.70%
16 June to 15 July 2009	3.60%
16 July to 15 August 2009	3.45%
16 August to 15 September 2009	3.40%
16 September to 15 October 2009	3.35%
16 October to 15 November 2009	3.65%
16 November to 15 December 2009	3.25%
16 December to 31 December 2009	3.25%

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 2009 to 31 January 2009	5.50%
1 February 2009 to 28 February 2009	5.00%
1 March 2009 to 31 March 2009	4.75%
1 April 2009 to 31 August 2009	4.50%
1 September 2009 to 31 December 2009	4.25%

Policies investing in the Deposit Administration Fund 3.00%

- (4) Service charges for linked policies were changed on 1 April 2009.

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

Where policy provisions provide for an increase in service charges, this increase may be in line with the Retail Price Index or the National Average Earnings Index. The latter applies in the majority of cases.

Between November 2007 and November 2008, the RPI rose by 3.0% and the NAEI by 2.61%

Some ex-Albany life policies had charges unchanged. The rest of the policies had charges restricted to the NAEI increase of 2.61%, 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 (2009)	Net charge to the fund after rebate (2008)	Fund Size as at 31/12/09
Canada Life	% p.a.	% p.a.	£m
Balanced Managed	0.250	0.100	26.0
Deposit life 1*	0.560	0.750	0.12
Deposit life 2*	0.690	1.250	0.92
Deposit life 3*	0.890	1.500	0.78
Deposit pensions*	0.970	1.250	7.80
Money life 1***	0.630	0.630	0.42
Money life 2*	0.570	0.750	2.40
Money life 3*	0.690	1.000	101.4
Money pensions 1***	0.750	0.750	5.50
Money pensions 2*	0.630	1.000	0.71
Money pensions 3*	0.810	1.000	2.00
Money pensions 4*	0.630	1.000	52.6
JPMF			
UK High Income	0.500	0.375	0.65
M & G			
Optimal Income	0.625	0.675	15.1
Artemis			
European Growth	0.750	0.900	0.74
Income	0.750	0.810	3.60
Strategic Bond	0.500	0.610	2.73

* The charges on these funds changed during the year to ensure that the fund values will not decrease.

** The charges on these funds were the same at December 2008 as at Dec 2009 although the charges on the funds did change during the year

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 (100% - Initial Charge %) and multiplied by (100% + Rounding Charge %) where applicable. Rounding charges of 1% were applied to the majority of fund series launched up to August 2008, but since that date new funds have not had any rounding charges applied. Units are de-allocated at the bid price, which is offer price multiplied by (100% - Initial charge %) rounded up to the nearer 1/10p

iv) Prices for Canada Life UK Linked funds are struck daily at 12:00pm. For any closed markets, the latest available price is used. Prices are loaded into the Investment system shortly after and valuations are generally completed 2-3 hours 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, as at 12:00pm, for each series in every fund. All policies in a particular series will use that series' price for any unit transactions on that price date. Different series within a fund have different prices which is a function of the effects over time of the relevant annual management charge for each 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 between 11:00am and 12:00pm.

- (8) Tax for capital gains is charged to the fund 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 (life 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 for Capital Gains Tax during 2009:-
Realised & Unrealised Gains

	Effective 31/12/08	Effective 06/04/09	Effective 01/06/09
- Unit Trusts Deemed Realised	20.00%	17.69%	18.69%
- Equities	20.00%	18.37%	19.19%
- Property	20.00%	17.32%	18.83%
- Gilts	20.00%	19.68%	19.95%

For Corporation Tax a rate of 20% applied throughout 2009.

- (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 life funds other than private portfolio funds is calculated on a daily basis on the movements in unrealised gains, allowing for indexation allowances. Tax or provisions for tax is calculated on deemed disposals of Unit Trusts with the gains being spread over 7 years at a fund level, in accordance with the Taxation of Chargeable Gains Act 1992. Tax

or deductions for 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 (life 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 creation 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 in excess of 0.375% pa on the CLGB holdings. 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.

All other CL internal linked funds can purchase units in the funds supplied by the providers in the table below. 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 plus an initial charge as shown in the table below. The gross charge and rebate are as follows

Fund Name	Initial Charge	Annual Management Charge	Rebate	Net charge to the fund after rebate
CF Canada Life Unit Trusts	%	% 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	1.660	1.410	0.250
North American	0.000	1.500	1.125	0.375
Black Rock				
UK Special Sits	0.000	1.500	0.825	0.675
American Opps	0.000	1.500	0.825	0.675
Emerging Mkts	0.000	1.500	0.825	0.675
International Fixed Interest	0.000	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
European Absolute Alpha	0.000	1.500	0.750	0.750
SVM Unit Trusts				
Continental European	0.000	1.500	1.000	0.500
UK Opportunities	0.000	1.500	1.000	0.500
Fidelity Unit Trusts				
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	0.500	1.500	0.500	1.000
Global Property	0.000	1.500	0.550	0.950
JPMF				
Europe	0.500	1.500	0.750	0.750

Fund Name	Initial Charge	Annual Management Charge	Rebate	Net charge to the fund after rebate
Asia	0.500	1.500	0.750	0.750
Cautious Total Return	0.250	1.250	0.625	0.625
Natural Resources	0.500	1.500	0.750	0.750
UK High Income	0.500	1.000	0.500	0.500
Schroder				
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
Threadneedle				
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
Absolute Return Bond	0.000	1.250	0.500	0.750
Arch Cru				
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
Framlington				
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
New Star				
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
Premier Snowdonia				
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
M&G				
Global Basics	0.000	1.500	0.750	0.750
Recovery	0.000	1.500	0.750	0.750
Optimal Income	0.250	1.250	0.625	0.625
Corporate Bond	0.000	1.000	0.500	0.500
Strategic Corporate Bond	0.000	1.000	0.500	0.500
Chartwell				
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
Invesco Perpetual				
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

Fund Name	Initial Charge	Annual Management Charge	Rebate	Net charge to the fund after rebate
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
Gartmore				
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
Investec				
Cautious Managed	0.500	1.250	0.625	0.625
Managed Distribution	0.500	1.250	0.625	0.625
Multi Asset Protector	0.000	1.600	0.800	0.800
UK Smaller Companies	0.500	1.500	0.750	0.750
Global Free Enterprise	0.500	1.500	0.750	0.750
CF Midas				
Balanced Growth	0.000	1.400	0.650	0.750
Balanced Income	0.000	1.400	0.650	0.750
Foreign & Colonial				
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
Ethical Corporate Bond	0.000	1.000	0.500	0.500
Neptune				
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
Global Equity	0.000	1.750	0.875	0.875
Insight				
Diversified Target Return	0.000	1.500	0.850	0.6500
Premier Brunel				
Growth	0.000	1.500	0.500	1.000
Distribution	0.000	1.500	0.500	1.000
Jupiter				
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
Artemis				
European Growth	0.000	1.500	0.750	0.750
Income	0.000	1.500	0.750	0.750
Strategic Bond	0.000	1.000	0.500	0.500
Strategic Assets	0.000	1.500	0.750	0.750
Allianz				

Fund Name	Initial Charge	Annual Management Charge	Rebate	Net charge to the fund after rebate
RCM Global Eco Trends	0.000	1.750	0.875	0.875
RCM BRIC Stars	0.000	1.750	0.875	0.875
CF Miton				
Strategic Portfolio	0.000	1.500	0.650	0.850
Special Situations	0.000	1.500	0.650	0.850
S & W Tactica				
Balanced Portfolio	0.000	1.750	0.850	0.900
Cautious Portfolio	0.000	1.750	0.850	0.900
Growth Portfolio	0.000	1.750	0.850	0.900
Thames River				
Cautious Managed	0.000	1.500	0.750	0.750
Balance Managed	0.000	1.500	0.750	0.750
Global Boutiques	0.000	1.500	0.750	0.750

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 (UPR), an incurred but not reported (IBNR) claims reserve and a premium deficiency reserve (PDR).

Group Income Protection (IP) 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 (CI) 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 97% of 1.6/12 of the gross/ceded annualised in-force premium; the 97% allows for an average commission of 3% within the office premium. The 1.6/12 factor represents 1.6 months, a prudent estimate of the average reporting delay.

For Group IP the gross/ceded IBNR claims provision is 93.1% of 6.3/12 of the average of the last 6 months in-force gross/ceded annual premium. The 93.1% allows for an average commission of 6.9% within the office premium. The 6.3/12 factor allows for the average delay between a claim being incurred and an individual reserve being established. The in-force premium is averaged over 6 months to reflect the significant delay.

For Group CI the gross/ceded IBNR claims provision is 93% of 4.5/12 of the average of the last 6 months in-force gross/ceded annual premium. The 93% allows for an average commission of 7% within the office premium. The 4.5/12 factor allows for the average reporting delay. The in-force premium is averaged over 6 months to reflect the significant reporting delay.

For Group Life a PDR is held to anticipate any valuation strain arising on setting up Widows Death In Service Pension annuities. This is only required for policies last recosted before 1/1/2009 because policies costed on or after 1/1/2009 are managed in a way which removes this potential strain.

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 recently declined claims or claims ended due to recovery of the claimant, a reserve is held to reflect the chance of the claim going back into payment, for example due to a change in the health status of the claimant. The assumption is that the chance of the claim being paid depends on time since declinature/recovery and the status it was declined from.

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%

Individual percentages are used for claims with active challenges to declinature, set on a case-by-case basis.

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. Outstanding claims reported prior to 6 weeks before the end of the deferred period are not reserved for individually, as they are allowed for within the calculation of the IBNR reserve.

Claim expenses used are £933 per annum with an additional initial expense of £1,917 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 and gross of the allowance for investment expenses in 4(6)) used to value the liabilities are shown below:

Non-Profit Fund

Life Business: product group	This valuation	Last valuation
Whole Life and Endowment Assurances	2.71%	2.72%
Whole Life and Endowment Assurances (Crown)	2.24%	2.25%
Whole Life (Lifetime Protector)	2.71%	2.72%
Term Assurances	2.71%	2.72%
Annuities in payment (PLA)	3.42%	2.94%
Income protection policies	3.05%	3.41%
Income protection non-linked claims in payment	4.03%	7.46%
Income protection index-linked claims in payment	0.49% real	7.46%
Group PHI claims non-linked claims in payment	4.51%	5.36%
Group PHI claims index-linked claims in payment	1.32% real	5.36%
Annuities in payment (PLA – SSFA)	3.14%	2.17%
Property linked policies (Inv Contracts ^[1])	0.36%	2.20%
Property linked policies (Ins Contracts ^[2])	2.81%	2.20%

[1] Investment Contracts are all contracts other than insurance contracts

[2] Insurance Contracts are Whole of Life, Endowment and Annuity contracts

Pensions Business: product group	This valuation	Last valuation
Annuities in payment (CPA) non-linked	5.38%	5.89%
Annuities in payment (CPA) index-linked	0.91% real	5.89%
Annuities in payment (CPA - PALAL) non-linked	5.39%	5.51%
Annuities in payment (CPA - PALAL) index-linked	0.78% real	5.51%
Annuities in payment (CPA – ELAS) non-linked	5.40%	5.53%
Annuities in payment (CPA – ELAS) index-linked	1.75% real	5.53%
Enhanced Annuities non-linked	4.48%	4.22%
Enhanced Annuities index-linked	0.91%	4.22%
Annuities in payment (DIS) non-linked	4.71%	4.65%
Annuities in payment (DIS) index-linked	0.75% real	4.65%
Deferred annuity non-profit	2.29%	3.20%
Deposit administration policies	3.07%	2.76%
Annuities in payment (CPA AGA Lifetime)	3.93%	2.76%
Annuities in payment (CPA AGA 5yr)	3.93%	2.66%
Property linked policies (Inv Contracts ^[1])	3.72%	2.76%
Property linked policies (Ins Contracts ^[2])	0.45%	2.76%

[1] Investment Contracts are all contracts other than insurance contracts

[2] Insurance Contracts are Annuity contracts and contracts with annuity guarantees (Keybond and GAO)

In 2009, for non-linked annuities in payment the interest rates shown above are nominal rates (i.e. before allowing for inflation) and for index-linked annuities in payment the interest rates shown are real rates (i.e. the rate above inflation). In 2008 the nominal rate was shown for both non-linked and index-linked annuity business.

Negative Reserves	This valuation	Last valuation
All policy types – net of tax	4.66%	4.04%
All policy types – gross of tax	5.82%	5.06%

With-Profits Fund

Product group	This valuation	Last valuation
With-profit assurances (life)	2.44%	2.59%

Manulife Fund

Product group	This valuation	Last valuation
With-profit assurances (life)	2.85%	2.78%
Expense Reserve	0.6%	1.61%
Individual deposit administration	2.05%	3.13%
Annuities in payment (CPA)	5.05%	5.58%

(3) The yield on assets has been adjusted to allow for risk as follows:

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

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

For other fixed interest securities the gross redemption yield on individual bonds has been reduced to allow for risk by the following basis point deductions:

Rating	Basis point deduction
AAA	45
AA	55
A	90
BBB	105
BB	290
Below BB	500

These deductions have been determined by using data from the Moody's Corporate Default and Recovery Rates, 1970-2008 study, and by consideration of the average spreads on other fixed interest assets.

The ratings are determined by using external credit ratings from Fitch, S&P and Moodys. If there is more than one rating available then the second highest rating is taken. If there is no external rating available then the company's internal rating has been used. These are determined based on an assessment of the credit quality of the asset.

Separate assumptions as detailed below have been made for the following assets:

Asset	Basis point deduction
Collateralised Mortgage Backed Securities	105
Collateralised Debt Obligation	175
Lloyds Enhanced Capital Notes	500

The yield on mortgages has been reduced by 50 bps to allow for risk.

For annuities in payment and health claims in payment the risk adjusted yields shown in Form 57 column 5 were calculated as the internal rate of return on a basket of assets as specified in the waiver granted to INSPRU 3.1.35R. The cash flows for each individual asset were adjusted so that the yield on that individual asset was reduced to allow for risk as set out above. These cash flows were then aggregated to calculate the risk adjusted internal rate of return on the basket of assets.

For all other lines of business the risk adjusted yields were calculated in accordance with INSPRU 3.1.35R

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

- (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)

Life business in the Non-Profit Fund: product group	This valuation	Last valuation
Whole Life (Lifetime Protector)	Males: 93.5% AM92 2yr Sel with adjustments M1 Females: 104.5% AF92 2yr Sel with adjustments M1	Males: 93.5% AM92 2yr Sel with adjustments M1 Females: 104.5% AF92 2yr Sel with adjustments M1
Whole Life and Endowment Assurances	Males: 88% AM92 2yr Sel Females: 104.5% AF92 2yr Sel	Males: 88% AM92 2yr Sel Females: 104.5% AF92 2yr Sel
Term Assurances	Males: 77% TM92 5yr Sel with adjustments M1 Females: 90.8% TF92 5yr Sel with adjustments M1	Males: 77% TM92 5yr Sel with adjustments M1 Females: 90.8% TF92 5yr Sel with adjustments M1
Annuities in payment (PLA)	Males: 78% IML00 U2009 with improvements basis (1) Females: 86% IFL00 with improvements basis (1)	Males: 78% IML00 U2008with improvements basis (2) Females: 86% IFL00 U2008 with improvements basis (2)
Annuities in payment (PLA – SSFA)	Males: 80% IMA92 U2010mc Females: 80% IFA92 U2010	Males: 80% IMA92 U2009mc Females: 80% IFA92 U2009
Property linked – Life RP (Business sold on Aggregate terms)	Males: 77.0% AM92 2yr Sel Females: 104.5% AF92 2yr Sel	Males: 85.25% AM92 2yr Sel Females: 118.25% AF92 2yr Sel
Property linked – Life RP – Non-smoker rates	Males: 68.75% AM92 2yr Sel Females: 99% AF92 2yr Sel	Males: 79.75% AM92 2yr Sel Females: 112.75% AF92 2yr Sel
Property linked – Life RP – Smoker rates	Males: 137.5% AM92 2yr Sel Females: 132% AF92 2yr Sel	Males: 123.75% AM92 2yr Sel Females: 143% AF92 2yr Sel
Property linked – SIB (Select Investment Bond)	Males:192.5% AM92 2yr Sel Females: 291.5% AF92 2yr Sel	Males:85.25% AM92 2yr Sel Females: 118.25% AF92 2yr Sel
Property linked – FIB (Flexible Investment Bond)	Males: 132.0% AM92 2yr Sel Females: 176.0% AF92 2yr Sel	Males:85.25% AM92 2yr Sel Females: 118.25% AF92 2yr Sel
Property linked - Life SP Other (Business sold on Aggregate terms)	Males: 88.0% AM92 2yr Sel Females: 99.0% AF92 2yr Sel	Males:85.25% AM92 2yr Sel Females: 118.25% AF92 2yr Sel

Pensions Business in the Non-Profit Fund: product group	This valuation	Last valuation
Annuities in payment (CPA) *#	Males: 97% PNMA00 U2009 with improvements basis (1) Females: 87% PNFA00 U2009 with improvements basis (1) both with select adjustments M2	Males: 96% PNMA00 U2008 with improvements basis (2) Females: 84% PNFA00 U2008 with improvements basis (2) both with select adjustments M2
Annuities in payment (CPA - PALAL)	Males: 101% PNMA00 U2009 with improvements basis (1) Females: 92% PNFA00 U2009 with improvements basis (1) both with select adjustments M2	Males: 96% PNMA00 U2008 with improvements basis (2) Females: 84% PNFA00 U2008 with improvements basis (2) both with select adjustments M2
Annuities in payment (CPA – ELAS)	Males: 86% of PNMA00 U2009 with improvements basis (1) Females: 87% of PNFA00 U2009 with improvements basis (1)	Males: 82% of PNMA00 U2008 with improvements basis (2) Females: 84% of PNFA00 U2008 with improvements basis (2)
Annuities in payment (DIS)	Males: 102% PNMA00 U2009 with improvements basis (1) Females: 102% PNFA00 U2009 with improvements basis (1)	Males: 102% PNMA00 U2008 with improvements basis (2) Females: 102% PNFA00 U2008 with improvements basis (2)
Deferred annuity non-profit	Interest Only	Interest Only
Deposit administration policies and property linked policies (Business sold on Aggregate terms)	Males: 99.0% AM92 Sel Females: 99.0% AF92 Sel	Males: 85.25% AM92 Sel Females: 118.25% AF92 Sel
Deposit administration policies and property linked policies – Non-smoker rates	Males: 93.5% AM92 Sel Females: 79.75% AF92 Sel	Males: 79.75% AM92 2yr Sel Females: 112.75% AF92 2yr Sel
Deposit administration policies and property linked policies – Smoker rates	Males: 140.25% AM92 Sel Females: 148.5% AF92 Sel	Males: 123.75% AM92 2yr Sel Females: 143% AF92 2yr Sel
Annuities in payment (CPA AGA)	Males: 97% PNMA00 U2009 with improvements basis (1) Females: 87% PNFA00 U2009 with improvements basis (1) both with select adjustments M2	Males: 96% PNMA00 U2008 with improvements basis (2) Females: 84% PNFA00 U2008 with improvements basis (2) both with select adjustments M2

* Enhanced annuities in payment use the same mortality tables with additional adjustments for specific medical conditions for impaired lives being applied on a case by case basis.

Annuities in payment in the MPF also use this mortality basis.

Improvements Basis (1)

Males: 100% of average of Medium Cohort and Long Cohort improvements applied from 2001, with a minimum annual rate of improvement from 2010 of 2% p.a. at ages less than or equal to 80, reducing linearly to 0.0% p.a. at age 120.

Females: 75% of average of Medium Cohort and Long Cohort improvements applied from 2001, with a minimum annual rate of improvement from 2010 of 1.5% p.a. at ages less than or equal to 80, reducing linearly to 0.0% p.a. at age 120.

Improvements Basis (2)

Males: 100% of Medium Cohort improvements applied from 2001, with a minimum annual rate of improvement from 2007 of 2% p.a. at ages less than or equal to 70, reducing linearly to 0.5% p.a. at age 120.

Females: 75% of Medium Cohort improvements applied from 2001, with a minimum annual rate of improvement from 2007 of 1.5% p.a. at ages less than or equal to 80, reducing linearly to 0.5% p.a. at age 120.

All Other Business: product group	This valuation	Last valuation
With-profit Whole Life and Endowments	Males: 77% AM92 Ult Females: 120% AF92 Ult	Males: 77% AM92 Ult Females: 120% AF92 Ult
Term Assurances in Manulife Fund	Males: 66% TM92 Ult Females: 77% TF92 Ult	Males: 66% TM92 Ult Females: 77% 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 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	25.4	16.0	24.8	15.4
	Females	26.3	16.6	26.1	16.3
Annuities in payment (PLA – SSFA)	Males	24.3	15.6	24.3	15.5
	Females	25.2	15.8	25.1	15.8
Annuities in payment (CPA)	Males	23.9	15.1	23.3	14.6
	Females	25.9	16.8	26.0	16.8
Annuities in payment (CPA – PALAL)	Males	23.6	14.8	23.3	14.6
	Females	25.4	16.4	26.0	16.8
Annuities in Payment (CPA – ELAS)	Males	24.7	15.4	24.4	15.2
	Females	25.7	16.4	25.8	16.4
Annuities in payment (DIS)	Males	23.2	14.2	22.5	13.6
	Females	24.4	15.3	24.1	15.0
Annuities in payment (CPA – AGA)	Males	23.9	15.1	23.3	14.6
	Females	25.9	16.8	26.0	16.8

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

Morbidity bases used (section 5)

Non-Profit Fund: product group	This valuation	Last valuation
Individual income protection (guaranteed premiums) *	Inception rates: 38.4% of CMIR12 for 4 week deferred 67.2% of CMIR12 for 13 week deferred 134.4% of CMIR12 for 26 week deferred 181.2% of CMIR12 for 52 week deferred all with adjustments M3 Termination rates: 72% of CMIR12	Inception rates: 38.4% of CMIR12 for 4 week deferred 67.2% of CMIR12 for 13 week deferred 134.4% of CMIR12 for 26 week deferred 181.2% of CMIR12 for 52 week deferred all with adjustments M3 Termination rates: 72% of CMIR12
Individual income protection (reviewable premiums)	Inception rates: 120% of guaranteed premium rates (above) for both male and female lives with adjustments M3 Termination rates: 72% of CMIR12	Inception rates: 120% of guaranteed premium rates (above) for both male and female lives with adjustments M3 Termination rates: 72% of CMIR12
Individual income protection claims in payment (termination rates)	72% of CMIR12	72% of CMIR12
Group income protection claims in payment (termination rates)	56% of CMIR12 in the first two years 72% of CMIR12 thereafter plus 88% of CMIR12 mortality	56% of CMIR12 in the first two years 72% of CMIR12 thereafter plus 72% of CMIR12 mortality

* The basis has been represented this year. There has been no change in the basis since last year.

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%

An additional 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 2009 £pa	Financial year 2008 £pa
CWP savings endowment (With-Profit Fund Policies)	35.79	35.69
CWP target cash endowment (With-Profit Fund Policies)	35.79	35.69
CWP pensions (With-Profit Fund Policies)	35.79	35.69
CWP savings endowment (Manulife Fund policies)	43.10	42.98
CWP target cash endowment (Manulife Fund policies)	43.10	42.98
CWP pensions (Manulife Fund policies)	43.10	42.98
Term assurance	26.20	25.30
Critical illness	26.20	25.30
Income protection	40.00	38.70
Individual income protection claims in payment	1,265.00	1,222.00
Group income protection claims in payment	933.00	897.00
Annuity in payment	18.00	17.40
UL Bonds SIB/FIB	66.00	43.00
UL Bonds (other)	37.00	35.70
UL savings endowment	55.00	48.10
UL target cash endowment	55.00	48.10
UL regular premium pension	35.00	35.00
UL single premium pension	25.00	25.00
UL group regular premium pension	165.00	136.00
UL group single premium pension	165.00	136.00

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 4.0% 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 2009	Financial year 2008
Annuity business	7.0	5.5
Other non-linked and index-linked	7.0	5.5
With-Profit Fund business	11.0	11.0
Manulife Fund business	25.0	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:

Linked business	Gross	Net
Life	5.20%	4.08%
Pensions	5.20%	5.10%

The net rates are net of investment expenses of 10bps. The life rate is net of 20% tax too.

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

	Expense Inflation	Policy charge inflation
Linked business	4.00%	4.00%

- (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:

Non Linked

Product	Policy Year	Average Best Estimate Lapse rates % for the policy years			
		1-5	6-10	11-15	16-20
Level term	Lapse rate	8.3	7.4	5.5	5.5
Decreasing term	Lapse rate	8.3	7.4	5.5	5.5
Accelerated critical illness	Lapse rate	19.4	10.0	5.0	5.0
Income protection	Lapse rate	9.9	8.0	7.0	5.5

Notes:

To ensure that a prudent lapse assumption is used for each policy, the reserve held for each policy is the higher of two calculations:

- 1) The reserve assuming lapse rates of 120% of the best estimate
- 2) The reserve assuming lapse rates of 80% of the best estimate

None of the above products can be surrendered nor can they be converted to paid-up status.

Linked Products

Policy Type	Best Estimate Lapse rate (all years) %
Endowments	8.00
Regular Premium Saver	6.00
Whole of Life	4.75
Single Premium Bonds	5.50
Personal Pensions	4.50
Executive Pensions	6.50
Pension Single Premium Bonds	4.75
Standalone DSS Rebates	2.00
Pension AVC's	4.25

Notes:

To ensure that a prudent lapse assumption is used for each policy, the reserve held for each policy is the highest of four calculations.

- 1) The reserve assuming lapse rates of 120% of the best estimate
- 2) The reserve assuming lapse rates of 80% of the best estimate
- 3) The reserve assuming lapse rates of 120% of the best estimate & the policy has been made paid up
- 4) The reserve assuming lapse rate of 80% of the best estimate & the policy has been made paid up

No allowance is made for lapses for conventional with profits business.

The Company has no unitised with profit business.

- (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 due to specified changes in valuation methodology as at the valuation date arising from changes in INSPRU valuation rules effective from 31 December 2006 is a release of £9m.

This is due to implementing prudent lapses on the unit linked business.

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 £43.2m 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 15% 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 £18 p.a. inflating at 4% p.a. and commission of 1.0% of unit value. For males, the post-retirement assumption is 97% of PNMA00 using 100% of the average of medium and long cohort improvements with variable floor. The 100% of the average of the medium and long cohort applies from 2001 and floors apply from 2010. For females, the post-retirement mortality assumption is 87% of PNFA00 using 75% average of medium and long cohort improvements with variable floor. The 75% of the average of medium and long cohort applies from 2001 and floors apply from 2010.

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	£65.9m	£17.7m
(iii) Spread of outstanding durations	<5 years: 45% 5-10 years: 35% 10 – 15 years: 17% over 15 years: 3%	<5 years: 45% 5-10 years: 37% 10 – 15 years: 16% over 15 years: 2%
(iv) Guarantee reserve	£23.2m	£12.8m
(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 th and 75 th 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	£22.7m	£2.2m
(iii) Spread of outstanding durations	<5 years: 25% 5-10 years: 39% 10 – 15 years: 24% over 15 years: 12%	<5 years: 43% 5-10 years: 43% 10 – 15 years: 13% over 15 years: 1%
(iv) Guarantee reserve	£6.8m	£0.5m
(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 th and 75 th 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 132 policies in the WPF that have guaranteed annuity options. The reserves for these options are £1.3m.

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 around 1.3% 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)	20,489	49,344
(iii) Spread of outstanding durations	<5 yrs: 67% 5-10 yrs: 23% >10 yrs: 10%	<5 yrs: 46% 5-10 yrs: 23% >10 yrs: 31%
(iv) Guarantee reserve	£24k	£137k
(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)	41,006
(iii) Spread of outstanding durations	<5 yrs: 32% 5-10 yrs: 24% >10 yrs: 45%
(iv) Guarantee reserve	112k
(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)	149,382	3,753	69,833
(iii) Spread of outstanding durations	<5 yrs: 31% 5-10 yrs: 20% >10 yrs: 49%	<5 yrs: 34% 5-10 yrs: 27% >10 yrs: 39%	<5 yrs: 51% 5-10 yrs: 23% >10 yrs: 26%
(iv) Guarantee reserve (£000)	491	183	276
(v) Guaranteed amount (£000)	144,200	3,318	64,393
(vi) MVA free conditions	No MVA	No MVA	No MVA
(vii) In force premiums (£000)	2,003	82	2,343
(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 £9.8m 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 97% of PNMA00 using 100% of the average of medium and long cohort improvements with variable floor. The 100% of the average of medium and long cohort applies from 2001 and floors apply from 2010. For females, the post-retirement mortality assumption is 87% of PNFA00 using 75% average of medium and long cohort improvements with variable floor. The 75% average of medium and long cohort applies from 2001 and floors apply from 2010.

6. Expense reserves

- (1) The aggregate amount of expense loadings expected to arise during the 12 months from the 'valuation date' was £44.1m, comprising £35.5m explicit and £8.7m implicit allowances. The investment expenses during 2009 were £10.7m and other maintenance expenses were £28.3m.
- (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 rental payments covering the notice periods 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 £	13,105	13,105

- (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:

an increase in fixed interest yields by 20% (i.e. adding 0.89% to yields)

an increase in real yields for index-linked gilts by 20% (i.e. adding 0.15% to real yields)

a fall in the market value of equities of at least 10%, or, if greater, the lower of:

A) a percentage fall in the market value of equities which would produce an earnings yield on the FTSE Actuaries All Share Index equal to 4/3rds of the long term gilt yield (earnings fall by 10% and dividends remain unchanged)

B) a fall in the market value of equities of 25% less the equity market adjustment ratio (see INSPRU 3.1.19 R)

This year the point A bites, and we have a fall of 20.3%.

a 10% fall (calculated as 20% less the real estate market adjustment ratio) 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	-11,160	-7,999	3,985
WPF	-3,934	-3,202	918
NPF	-805,538	-688,992	116,402
Total	-820,632	-700,193	121,305

- (7) No further mismatching reserve is held.

8. Other special reserves

Tax reserves

Tax in respect of unrealised gains:

NPF	£(4.2)m
WPF	£2.1m
MPF	£0.7m

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.

The negative reserve relates to the tax value of the life business proportion of unrealised losses on investment assets, to the extent that they can be offset against the tax reserves in respect of unrealised gains and accounting provisions for deferred taxation.

Tax relief in respect of acquisition expenses:

NPF	£(17.4)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	£1.6m
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The reserve relates to the impact of the removal of particular actuarial 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	£37.4m
-----	--------

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 would 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)	135.4	5.3	11.1	nil	nil	0.0	0.0
(g) Deposit back (£m)	44.5	n/a	n/a	n/a	n/a	657.0	907.3
(h) Open / closed	Open	Closed	Closed	Closed	Closed	Closed	Closed
(i) Undischarged obligation (£m)	n/a	6.8	0.0	n/a	n/a	n/a	n/a
(j) Math Res ceded (£m)	44.4	nil	nil	83.4	33.3	657.0	907.3
(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)	75.5	28.3
(g) Deposit back (£m)	0.0	46.8
(h) Open / closed	Closed	Open
(i) Undischarged obligation (£m)	n/a	n/a
(j) Math Res ceded (£m)	5.2	48.3
(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 2009 was £40.2m (2008: £20.2m) and the amount received from JPMVC was £40.1m (2008: £20.1m). The effect of the ANFA agreement was to reduce gross mathematical reserves by £0.6m as at 31 December 2009 (2008: £1m). This benefit is collateralised, the value of the collateral as at 31 December 2009 was £3.0m (2008: £9.4m); 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. Therefore while the three factors for reversionary bonus rates were unchanged between 2008 and 2009, the underlying mix of policies has changed, which together with the factors now being applied to policies that have advanced a year, has led to slight changes in the weighted average rates below.

Bonus Series	Mathematical Reserves £000	Reversionary Bonus 2009		Reversionary Bonus 2008		Total Guaranteed Bonus Rate
		Basic	Bonus	Basic	Bonus	
P7D – premium paying	20,345	2.5%	0.9%	2.4%	0.8%	Not Applicable
P7D – paid up	1,942	1.4%	1.6%	1.4%	1.6%	Not Applicable
P8H – premium paying	31,471	2.3%	0.8%	2.4%	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 2009		Reversionary Bonus 2008		Total Guaranteed Bonus Rate
		Basic	Bonus	Basic	Bonus	
G68/71 – premium paying	19,955	2.2%	0.5%	2.2%	0.5%	Not Applicable
G68/71 – paid-up	9,630	0.9%	0.5%	0.9%	0.5%	Not Applicable
G77 – premium paying	91,239	2.1%	0.5%	2.1%	0.5%	Not Applicable
G77 – paid-up	17,127	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

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 2009

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 2009 to 31 December 2009. 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 2009 the With-Profits Actuary held: 582 Great-West Lifeco Inc common shares with a total value of £9,257; and, 5 Great-West Lifeco Inc 'F' class shares with a total value of £73.
 - b) 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 £154,902. 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

30 March 2010

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 2009

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 as modified by two waivers under section 148 of the Financial Services and Markets Act 2000;
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 as modified by two waivers under section 148 of the Financial Services and Markets Act 2000; 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;
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

W L Acton
Director

M L Hepher
Director

30 March 2010

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 2009

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 3 to 50, 54 to 61, 85, 89 to 92, 97 and 98 to 105 ("the Forms");
- the statement required by IPRU(INS) rule 9.29 on page 106 ("the Statement");
- the valuation report required by IPRU(INS) rule 9.31(a) on pages 108 to 139 ("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 51 to 53, 62 to 84, 86 to 88, 93 to 95 and supplementary note pages 104 to 105;
- | the statement[s] required by IPRU(INS) rules 9.30 and 9.36 on pages 107 and 140; and
- | the directors' certificate required by IPRU(INS) rule 9.34 on pages 141 to 142 ("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. The requirements of the Rules have been modified by a waiver issued under section 148 of the Financial Services and Markets Act 2000 on 21 October 2009. 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 as modified 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,

30 March 2010