

# AXA Sun Life Plc

**Annual FSA Insurance Returns for the year ended  
31st December 2008**



(Appendices 9.1, 9.3, 9.4, 9.6)

**Statement of solvency - long-term insurance business**
**Form 2**

Printed 31/03/2009 10:00:26

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2008**

Adjusted solo solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	units	
	<b>R2</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>
				As at end of this financial year		As at end of the previous year	
				<b>1</b>		<b>2</b>	

**Capital resources**

Capital resources arising within the long-term insurance fund	<b>11</b>	1962545	3464741
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	<b>12</b>	52333	(88071)
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	<b>13</b>	2014878	3376670

**Guarantee fund**

Guarantee Fund requirement	<b>21</b>	139629	127466
Excess (deficiency) of available capital resources to cover guarantee fund requirement	<b>22</b>	1875249	3249204

**Minimum capital requirement (MCR)**

Long-term insurance capital requirement	<b>31</b>	418888	382399
Resilience capital requirement	<b>32</b>		
Base capital resources requirement	<b>33</b>	2518	2231
Individual minimum capital requirement	<b>34</b>	418888	382399
Capital requirements of regulated related undertakings	<b>35</b>		
Minimum capital requirement (34+35)	<b>36</b>	418888	382399
Excess (deficiency) of available capital resources to cover 50% of MCR	<b>37</b>	1805434	3185470
Excess (deficiency) of available capital resources to cover 75% of MCR	<b>38</b>	1700712	3089871

**Enhanced capital requirement**

With-profits insurance capital component	<b>39</b>	866729	1844492
Enhanced capital requirement	<b>40</b>	1285617	2226891

**Capital resources requirement (CRR)**

Capital resources requirement (greater of 36 and 40)	<b>41</b>	1285617	2226891
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	<b>42</b>	729261	1149779

**Contingent liabilities**

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	<b>51</b>	184457	300000
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**Covering sheet to Form 2**

**Form 2**

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Name of insurer           **AXA Sun Life Plc**

Global business

Financial year ended       **31st December 2008**

..... **P. J. Evans**                                                                   **Chief Executive**

..... **D. R. Cheeseman**                                                                   **Director**

..... **A. J. Purvis**                                                                   **Director**

**London**

**Components of capital resources**
**Form 3  
(Sheet 1)**

 Name of insurer **AXA Sun Life Plc**

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Global business

 Financial year ended **31st December 2008**

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

**Core tier one capital**

Permanent share capital	<b>11</b>	92500	92500	92500
Profit and loss account and other reserves	<b>12</b>	2542557	2542557	2524930
Share premium account	<b>13</b>			
Positive valuation differences	<b>14</b>	1224211	1224211	2226810
Fund for future appropriations	<b>15</b>	553437	553437	1104030
Core tier one capital in related undertakings	<b>16</b>	(60308)	(60308)	
Core tier one capital (sum of 11 to 16)	<b>19</b>	4352397	4352397	5948270

**Tier one waivers**

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

**Other tier one capital**

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

<b>Total tier one capital before deductions</b> (19+24+25+26+27+28)	<b>31</b>	4352397	4352397	5948270
Investments in own shares	<b>32</b>			
Intangible assets	<b>33</b>			
Amounts deducted from technical provisions for discounting	<b>34</b>			
Other negative valuation differences	<b>35</b>			
Deductions in related undertakings	<b>36</b>			
Deductions from tier one (32 to 36)	<b>37</b>			
<b>Total tier one capital after deductions</b> (31-37)	<b>39</b>	4352397	4352397	5948270

**Components of capital resources**
**Form 3  
(Sheet 2)**

 Name of insurer **AXA Sun Life Plc**

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Global business

 Financial year ended **31st December 2008**

	Company registration number	GL/ UK/ CM	day	month	year	units	
	<b>R3</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>
	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			
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>			

**Tier two capital**

Implicit items, (tier two waivers and amounts excluded from line 22)	<b>41</b>					
Perpetual non-cumulative preference shares excluded from line 25	<b>42</b>					
Innovative tier one capital excluded from line 27	<b>43</b>					
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	<b>44</b>					
Perpetual cumulative preference shares	<b>45</b>					
Perpetual subordinated debt and securities	<b>46</b>					
Upper tier two capital in related undertakings	<b>47</b>					
<b>Upper tier two capital (44 to 47)</b>	<b>49</b>					

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

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

**Components of capital resources**
**Form 3  
(Sheet 3)**

 Name of insurer **AXA Sun Life Plc**

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Global business

 Financial year ended **31st December 2008**

	Company registration number	GL/UK/CM	day	month	year	units	
	R3	3291349	GL	31	12	2008	£000
	1	2	3	Total as at the end of this financial year		Total as at the end of the previous year	

**Total capital resources**

Positive adjustments for regulated non-insurance related undertakings	71					
<b>Total capital resources before deductions (39+69+71)</b>	<b>72</b>		4352397	4352397	5948270	
Inadmissible assets other than intangibles and own shares	73		1433555	1433555	1277683	
Assets in excess of market risk and counterparty limits	74		903964	903964	1293917	
Deductions for related ancillary services undertakings	75					
Deductions for regulated non-insurance related undertakings	76					
Deductions of ineligible surplus capital	77					
<b>Total capital resources after deductions (72-73-74-75-76-77)</b>	<b>79</b>		2014878	2014878	3376670	

**Available capital resources for GENPRU/INSRU tests**

Available capital resources for guarantee fund requirement	81		2014878	2014878	3376670	
Available capital resources for 50% MCR requirement	82		2014878	2014878	3376670	
Available capital resources for 75% MCR requirement	83		2014878	2014878	3376670	

**Financial engineering adjustments**

Implicit items	91					
Financial reinsurance – ceded	92		94024	94024	105447	
Financial reinsurance – accepted	93					
Outstanding contingent loans	94		184457	184457	300000	
Any other charges on future profits	95					
<b>Sum of financial engineering adjustments (91+92-93+94+95)</b>	<b>96</b>		278481	278481	405447	

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

Form 11

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Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2008**

Long Term Insurance Business

	Company registration number	GL/UK/CM	day	month	year	units	
	R11	3291349	GL	31	12	2008	£000
			This financial year		Previous year		
			1		2		
Gross premiums written			11	22194		27614	
Premiums taxes and levies (included in line 11)			12				
Premiums written net of taxes and levies (11-12)			13	22194		27614	
Premiums for classes 11, 12 or 13 (included in line 13)			14				
Premiums for "actuarial health insurance" (included in line 13)			15	15097		16827	
<b>Sub-total A</b> (13 + 1/2 14 - 2/3 15)			16	12129		16396	
Gross premiums earned			21	30270		37913	
Premium taxes and levies (included in line 21)			22				
Premiums earned net of taxes and levies (21-22)			23	30270		37913	
Premiums for classes 11, 12 or 13 (included in line 23)			24				
Premiums for "actuarial health insurance" (included in line 23)			25	17921		19928	
<b>Sub-total H</b> (23 + 1/2 24 - 2/3 25)			26	18323		24628	
<b>Sub-total I</b> (higher of sub-total A and sub-total H)			30	18323		24628	
<b>Adjusted sub-total I</b> 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	3298		4433	
	Excess (if any) over 53.1M EURO x 0.02		33				
<b>Sub-total J</b> (32-33)			34	3298		4433	
Claims paid in period of 3 financial years			41	110922		106686	
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	104276		124610	
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	135691		151665	
<b>Sub-total C</b> (41+42+43-44-45)			46	79507		79631	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			47	31652		28539	
<b>Sub-total D</b> (46-47)			48	47855		51092	
<b>Reinsurance ratio</b> (Sub-total D / sub-total C or, if more, 0.50 or, if less, 1.00)			49	0.60		0.64	
<b>Premiums amount</b> (Sub-total J x reinsurance ratio)			50	1985		2844	
Provisions for claims outstanding (before discounting and net of reinsurance)			51	67697		82831	
Provisions 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	4467		5466	
Greater of lines 50 and 53			54	4467		5466	

**Calculation of general insurance capital requirement - claims amount and result**
**Form 12**

Printed 31/03/2009 10:00:27

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2008**

Long Term Insurance Business

		Company registration number	GL/ UK/ CM	day	month	year	units	
		R12	3291349	GL	31	12	2008	£000
				This financial year		Previous year		
				1		2		
Reference period (No. of months) See <i>INSPRU</i> 1.1.63R		11		36		36		
Claims paid in reference period		21		110922		106686		
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		104276		124610		
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		135691		151665		
Claims incurred in reference period (21+22+23-24-25)		26		79507		79631		
Claims incurred for classes 11, 12 or 13 (included in 26)		27						
Claims incurred for "actuarial health insurance" (included in 26)		28		50660		54868		
<b>Sub-total E</b> (26 + 1/2 27 - 2/3 28)		29		45734		43052		
<b>Sub-total F</b> - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in reference period)		31		15245		14351		
Division of sub-total F (gross adjusted claims amount)	X 0.26	32		3964		3731		
	Excess (if any) over 37.2M EURO x 0.03	33						
<b>Sub-total G</b> (32 - 33)		39		3964		3731		
<b>Claims amount</b> Sub-total G x <b>reinsurance ratio</b> (11.49)		41		2386		2394		
Higher of <b>premiums amount</b> and <b>brought forward amount</b> (11.54)		42		4467		5466		
<b>General insurance capital requirement</b> (higher of lines 41 and 42)		43		4467		5466		



**Analysis of admissible assets**
**Form 13  
(Sheet 1)**

 Name of insurer **AXA Sun Life Plc**

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Global business

 Financial year ended **31st December 2008**

 Category of assets **Total other than Long-Term Insurance Business Assets**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	<b>R13</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>1</b>
						As at end of this financial year		As at end of the previous year
						<b>1</b>		<b>2</b>
Land and buildings			<b>11</b>					

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>	145692	
	debts and loans	<b>22</b>		
Other insurance dependants	shares	<b>23</b>		
	debts and loans	<b>24</b>		
Non-insurance dependants	shares	<b>25</b>		
	debts and loans	<b>26</b>		
Other group undertakings	shares	<b>27</b>		
	debts and loans	<b>28</b>		
Participating interests	shares	<b>29</b>		
	debts and loans	<b>30</b>		

**Other financial investments**

Equity shares	<b>41</b>		
Other shares and other variable yield participations	<b>42</b>		
Holdings in collective investment schemes	<b>43</b>		
Rights under derivative contracts	<b>44</b>		
Fixed interest securities	Approved	<b>45</b>	
	Other	<b>46</b>	
Variable interest securities	Approved	<b>47</b>	
	Other	<b>48</b>	
Participation in investment pools	<b>49</b>		
Loans secured by mortgages	<b>50</b>		
Loans to public or local authorities and nationalised industries or undertakings	<b>51</b>		
Loans secured by policies of insurance issued by the company	<b>52</b>		
Other loans	<b>53</b>		
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	2150
	More than one month withdrawal	<b>55</b>	2200
Other financial investments	<b>56</b>		

**Analysis of admissible assets**
**Form 13  
(Sheet 2)**

 Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:28

Global business

 Financial year ended **31st December 2008**

 Category of assets **Total other than Long-Term Insurance Business Assets**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	<b>R13</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>1</b>
						As at end of this financial year	As at end of the previous year	
						<b>1</b>	<b>2</b>	
Deposits with ceding undertakings						<b>57</b>		
Assets held to match linked liabilities	Index linked					<b>58</b>		
	Property linked					<b>59</b>		

**Reinsurers' share of technical provisions**

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

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>		
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>		
	Ceded	<b>75</b>		
Dependants	Due in 12 months or less	<b>76</b>		
	Due in more than 12 months	<b>77</b>		
Other	Due in 12 months or less	<b>78</b>	5402	5054
	Due in more than 12 months	<b>79</b>		

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	32249	31471
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>		
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>		

Deductions from the aggregate value of assets	<b>87</b>		
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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)	<b>89</b>	185493	38725
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**Analysis of admissible assets**

**Form 13  
(Sheet 3)**

Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:28

Global business

Financial year ended **31st December 2008**

Category of assets **Total other than Long-Term Insurance Business Assets**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	<b>R13</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>1</b>
						As at end of this financial year	As at end of the previous year	
						<b>1</b>	<b>2</b>	

**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)	<b>91</b>	185493	38725
Admissible assets in excess of market and counterparty limits	<b>92</b>	697971	439709
Inadmissible assets directly held	<b>93</b>		
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related insurance undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>	60308	
Deferred acquisition costs excluded from line 89	<b>99</b>		
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>		
Other asset adjustments (may be negative)	<b>101</b>		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	943772	478434
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Analysis of admissible assets**
**Form 13  
(Sheet 1)**

 Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:29

Global business

 Financial year ended **31st December 2008**

 Category of assets **Total Long-Term Insurance Business Assets**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	<b>R13</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>10</b>
						As at end of this financial year		As at end of the previous year
						<b>1</b>		<b>2</b>
Land and buildings			<b>11</b>			718097		1075205

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>		
	debts and loans	<b>22</b>		
Other insurance dependants	shares	<b>23</b>		
	debts and loans	<b>24</b>		
Non-insurance dependants	shares	<b>25</b>		
	debts and loans	<b>26</b>		
Other group undertakings	shares	<b>27</b>	342917	403569
	debts and loans	<b>28</b>	189406	193274
Participating interests	shares	<b>29</b>		
	debts and loans	<b>30</b>		

**Other financial investments**

Equity shares	<b>41</b>	2474254	3934077	
Other shares and other variable yield participations	<b>42</b>	301524	247998	
Holdings in collective investment schemes	<b>43</b>	434474	318010	
Rights under derivative contracts	<b>44</b>	190410	67405	
Fixed interest securities	Approved	<b>45</b>	903226	774188
	Other	<b>46</b>	2405941	1634117
Variable interest securities	Approved	<b>47</b>	41532	52793
	Other	<b>48</b>	142837	872708
Participation in investment pools	<b>49</b>			
Loans secured by mortgages	<b>50</b>	4995	22787	
Loans to public or local authorities and nationalised industries or undertakings	<b>51</b>			
Loans secured by policies of insurance issued by the company	<b>52</b>	15678	13337	
Other loans	<b>53</b>			
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	180346	909642
	More than one month withdrawal	<b>55</b>	141121	65108
Other financial investments	<b>56</b>			

**Analysis of admissible assets**
**Form 13  
(Sheet 2)**

 Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:29

Global business

 Financial year ended **31st December 2008**

 Category of assets **Total Long-Term Insurance Business Assets**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	<b>R13</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>10</b>
						As at end of this financial year	As at end of the previous year	
						<b>1</b>	<b>2</b>	
Deposits with ceding undertakings			<b>57</b>					
Assets held to match linked liabilities	Index linked		<b>58</b>		209757		170499	
	Property linked		<b>59</b>		24836253		30344057	

**Reinsurers' share of technical provisions**

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

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	10367	16337
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries	<b>73</b>			
Reinsurance	Accepted	<b>74</b>	7555	2498
	Ceded	<b>75</b>		
Dependants	Due in 12 months or less	<b>76</b>	2672	132
	Due in more than 12 months	<b>77</b>		
Other	Due in 12 months or less	<b>78</b>	199210	60970
	Due in more than 12 months	<b>79</b>		

**Other assets**

Tangible assets	<b>80</b>			
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	130722	224345	
Cash in hand	<b>82</b>			
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>			
Accrued interest and rent	<b>84</b>	63177	68323	
Deferred acquisition costs (general business only)	<b>85</b>			
Other prepayments and accrued income	<b>86</b>	5863	7576	

Deductions from the aggregate value of assets	<b>87</b>			
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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)	<b>89</b>	33952334	41478955	
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**Analysis of admissible assets**

**Form 13  
(Sheet 3)**

Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:29

Global business

Financial year ended **31st December 2008**

Category of assets **Total Long-Term Insurance Business Assets**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	<b>R13</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>10</b>
						As at end of this financial year	As at end of the previous year	
						<b>1</b>	<b>2</b>	

**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)	<b>91</b>	33952334	41478955
Admissible assets in excess of market and counterparty limits	<b>92</b>	205993	854208
Inadmissible assets directly held	<b>93</b>	241331	67558
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related insurance undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>	29803	
Deferred acquisition costs excluded from line 89	<b>99</b>	1346121	1247309
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	1962941	1584594
Other asset adjustments (may be negative)	<b>101</b>	(393103)	(238789)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	37345420	44993835
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		



**Analysis of admissible assets**
**Form 13  
(Sheet 2)**

 Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:29

Global business

 Financial year ended **31st December 2008**

 Category of assets **Old With Profits Fund**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	<b>R13</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>11</b>
						As at end of this financial year	As at end of the previous year	
						<b>1</b>	<b>2</b>	
Deposits with ceding undertakings			<b>57</b>					
Assets held to match linked liabilities	Index linked		<b>58</b>			1786		2978
	Property linked		<b>59</b>					

**Reinsurers' share of technical provisions**

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

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>		1577	2075
	Intermediaries	<b>72</b>			
Salvage and subrogation recoveries		<b>73</b>			
Reinsurance	Accepted	<b>74</b>		1141	116
	Ceded	<b>75</b>			
Dependants	Due in 12 months or less	<b>76</b>			
	Due in more than 12 months	<b>77</b>			
Other	Due in 12 months or less	<b>78</b>		44579	10467
	Due in more than 12 months	<b>79</b>			

**Other assets**

Tangible assets	<b>80</b>				
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>			10550	16105
Cash in hand	<b>82</b>				
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>				
Accrued interest and rent	<b>84</b>			8255	9625
Deferred acquisition costs (general business only)	<b>85</b>				
Other prepayments and accrued income	<b>86</b>			28	

Deductions from the aggregate value of assets	<b>87</b>			
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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)	<b>89</b>			1368812	1680480
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**Analysis of admissible assets**

**Form 13  
(Sheet 3)**

Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:29

Global business

Financial year ended **31st December 2008**

Category of assets **Old With Profits Fund**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	<b>R13</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>11</b>
						As at end of this financial year	As at end of the previous year	
						<b>1</b>	<b>2</b>	

**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)	<b>91</b>	1368812	1680480
Admissible assets in excess of market and counterparty limits	<b>92</b>	1622	460
Inadmissible assets directly held	<b>93</b>	8635	8699
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related insurance undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>		
Deferred acquisition costs excluded from line 89	<b>99</b>		
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	171	215
Other asset adjustments (may be negative)	<b>101</b>	1367	(5226)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	1380607	1684628
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Analysis of admissible assets**
**Form 13  
(Sheet 1)**

 Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:30

Global business

 Financial year ended **31st December 2008**

 Category of assets **New With Profits Fund**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	<b>R13</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>12</b>
						As at end of this financial year	As at end of the previous year	
						<b>1</b>	<b>2</b>	
Land and buildings						11	598462	878335

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>			
	debts and loans	<b>22</b>			
Other insurance dependants	shares	<b>23</b>			
	debts and loans	<b>24</b>			
Non-insurance dependants	shares	<b>25</b>			
	debts and loans	<b>26</b>			
Other group undertakings	shares	<b>27</b>		12767	
	debts and loans	<b>28</b>			
Participating interests	shares	<b>29</b>			
	debts and loans	<b>30</b>			

**Other financial investments**

Equity shares	<b>41</b>	1996054	3174407	
Other shares and other variable yield participations	<b>42</b>	251290	202589	
Holdings in collective investment schemes	<b>43</b>	169504	255184	
Rights under derivative contracts	<b>44</b>	153128	54637	
Fixed interest securities	Approved	<b>45</b>	677751	585471
	Other	<b>46</b>	1506978	1146630
Variable interest securities	Approved	<b>47</b>	25465	41237
	Other	<b>48</b>	119040	518214
Participation in investment pools	<b>49</b>			
Loans secured by mortgages	<b>50</b>	27	12691	
Loans to public or local authorities and nationalised industries or undertakings	<b>51</b>			
Loans secured by policies of insurance issued by the company	<b>52</b>	8325	7082	
Other loans	<b>53</b>			
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	63408	404437
	More than one month withdrawal	<b>55</b>	49617	28948
Other financial investments	<b>56</b>			

**Analysis of admissible assets**
**Form 13  
(Sheet 2)**

 Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:30

Global business

 Financial year ended **31st December 2008**

 Category of assets **New With Profits Fund**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	<b>R13</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>12</b>
						As at end of this financial year	As at end of the previous year	
						<b>1</b>	<b>2</b>	
Deposits with ceding undertakings			<b>57</b>					
Assets held to match linked liabilities	Index linked		<b>58</b>			13310	12755	
	Property linked		<b>59</b>					

**Reinsurers' share of technical provisions**

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

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	8145	10830
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>	5893	605
	Ceded	<b>75</b>		
Dependants	Due in 12 months or less	<b>76</b>		
	Due in more than 12 months	<b>77</b>		
Other	Due in 12 months or less	<b>78</b>	109489	42100
	Due in more than 12 months	<b>79</b>		

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	60841	79986
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	40027	44000
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>	142	

Deductions from the aggregate value of assets	<b>87</b>		
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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)	<b>89</b>	5869663	7500138
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**Analysis of admissible assets**

**Form 13  
(Sheet 3)**

Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:30

Global business

Financial year ended **31st December 2008**

Category of assets **New With Profits Fund**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	<b>R13</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>12</b>
						As at end of this financial year	As at end of the previous year	
						<b>1</b>	<b>2</b>	

**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)	<b>91</b>	5869663	7500138
Admissible assets in excess of market and counterparty limits	<b>92</b>	8380	2435
Inadmissible assets directly held	<b>93</b>	69611	54451
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related insurance undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>		
Deferred acquisition costs excluded from line 89	<b>99</b>		
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	252	255
Other asset adjustments (may be negative)	<b>101</b>	(73182)	(21682)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	5874724	7535597
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Analysis of admissible assets**
**Form 13  
(Sheet 1)**

 Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:30

Global business

 Financial year ended **31st December 2008**

 Category of assets **Non Profit Fund One**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2008	£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		327598	403569
	debts and loans	28		111497	193274
Participating interests	shares	29			
	debts and loans	30			

**Other financial investments**

Equity shares	41		79179	39341
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43		231076	6131
Rights under derivative contracts	44			120
Fixed interest securities	Approved	45	45161	37644
	Other	46	336368	71375
Variable interest securities	Approved	47	11052	
	Other	48		213552
Participation in investment pools	49			
Loans secured by mortgages	50		18	7973
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52		5487	4668
Other loans	53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	25984	323646
	More than one month withdrawal	55	20332	23165
Other financial investments	56			

**Analysis of admissible assets**
**Form 13  
(Sheet 2)**

 Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:30

Global business

 Financial year ended **31st December 2008**

 Category of assets **Non Profit Fund One**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2008	£000	13
						As at end of this financial year	As at end of the previous year	
						1	2	
Deposits with ceding undertakings			57					
Assets held to match linked liabilities	Index linked			58	55816		246	
	Property linked			59	12018119		14735689	

**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	594	588
	Intermediaries	72		
Salvage and subrogation recoveries	73			
Reinsurance	Accepted	74	424	1444
	Ceded	75		
Dependants	Due in 12 months or less	76	2672	132
	Due in more than 12 months	77		
Other	Due in 12 months or less	78	44771	7933
	Due in more than 12 months	79		

**Other assets**

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	13628	61341
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	7339	8900
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	401	1553

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	13337516	16142284
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**Analysis of admissible assets**
**Form 13  
(Sheet 3)**

 Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:30

Global business

 Financial year ended **31st December 2008**

 Category of assets **Non Profit Fund One**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	<b>R13</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>13</b>
						As at end of this financial year	As at end of the previous year	
						<b>1</b>	<b>2</b>	

**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)	<b>91</b>	13337516	16142284
Admissible assets in excess of market and counterparty limits	<b>92</b>	195854	849782
Inadmissible assets directly held	<b>93</b>	162944	1844
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related insurance undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>	29803	
Deferred acquisition costs excluded from line 89	<b>99</b>	738898	682703
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	212054	83574
Other asset adjustments (may be negative)	<b>101</b>	(218015)	(157448)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	14459054	17602739
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Analysis of admissible assets**
**Form 13  
(Sheet 1)**

 Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:31

Global business

 Financial year ended **31st December 2008**

 Category of assets **Non Profit Fund Two**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets
R13	3291349	GL	31	12	2008	£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		77909	
Participating interests	shares	29			
	debts and loans	30			

**Other financial investments**

Equity shares	41			
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43			
Rights under derivative contracts	44			112
Fixed interest securities	Approved	45	44830	19886
	Other	46	232538	197449
Variable interest securities	Approved	47		1784
	Other	48		
Participation in investment pools	49			
Loans secured by mortgages	50	4944		
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	41	85438
	More than one month withdrawal	55	32	6115
Other financial investments	56			



**Analysis of admissible assets**
**Form 13  
(Sheet 2)**

 Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:31

Global business

 Financial year ended **31st December 2008**

 Category of assets **Non Profit Fund Two**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	<b>R13</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>14</b>
						As at end of this financial year	As at end of the previous year	
						<b>1</b>	<b>2</b>	
Deposits with ceding undertakings			<b>57</b>					
Assets held to match linked liabilities	Index linked		<b>58</b>		138845		154520	
	Property linked		<b>59</b>		12818134		15608368	

**Reinsurers' share of technical provisions**

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

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	51	2844
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries	<b>73</b>			
Reinsurance	Accepted	<b>74</b>	97	333
	Ceded	<b>75</b>		
Dependants	Due in 12 months or less	<b>76</b>		
	Due in more than 12 months	<b>77</b>		
Other	Due in 12 months or less	<b>78</b>	371	470
	Due in more than 12 months	<b>79</b>		

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	45703	66913
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	7556	5798
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>	5292	6023

Deductions from the aggregate value of assets	<b>87</b>		
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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)	<b>89</b>	13376343	16156053
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**Analysis of admissible assets**
**Form 13  
(Sheet 3)**

 Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:31

Global business

 Financial year ended **31st December 2008**

 Category of assets **Non Profit Fund Two**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	<b>R13</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>14</b>
						As at end of this financial year	As at end of the previous year	
						<b>1</b>	<b>2</b>	

**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)	<b>91</b>	13376343	16156053
Admissible assets in excess of market and counterparty limits	<b>92</b>	137	1530
Inadmissible assets directly held	<b>93</b>	141	2564
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related insurance undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>		
Deferred acquisition costs excluded from line 89	<b>99</b>	607223	564606
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	1750464	1500550
Other asset adjustments (may be negative)	<b>101</b>	(103273)	(54433)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	15631035	18170870
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Long-term insurance business liabilities and margins**
**Form 14**

Printed 31/03/2009 10:00:31

Name of insurer **AXA Sun Life Plc**  
 Global business  
 Financial year ended **31st December 2008**  
 Fund **Total Long-Term Insurance Business**  
 Units **£000**

		As at the end of this financial year	As at the end of the previous year
		<b>1</b>	<b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>	31268564	37055002
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>	14	45
Balance of surplus / (valuation deficit)	<b>13</b>	600000	
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	31868578	37055047
Claims outstanding	Gross amount	<b>15</b>	151258
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	151258
Provisions	Taxation	<b>21</b>	4603
	Other risks and charges	<b>22</b>	100125
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	86717
	Reinsurance accepted	<b>32</b>	105513
	Reinsurance ceded	<b>33</b>	64022
Debenture loans	Secured	<b>34</b>	52833
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>		
Creditors	Taxation	<b>37</b>	54210
	Other	<b>38</b>	99067
Accruals and deferred income	<b>39</b>	32450	427030
Provision for "reasonably foreseeable adverse variations"	<b>41</b>	39633	
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	721211	959167
Excess of the value of net admissible assets	<b>51</b>	1362545	3464741
Total liabilities and margins	<b>59</b>	33952334	41478955
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	60256	25049
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	24725803	30344057
Total liabilities (11+12+49)	<b>71</b>	31989789	38014214
Increase to liabilities – DAC related	<b>72</b>	153897	148752
Reinsurers' share of technical provisions	<b>73</b>	1962941	1584594
Other adjustments to liabilities (may be negative)	<b>74</b>	860911	1876451
Capital and reserves and fund for future appropriations	<b>75</b>	2377882	3369824
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)	<b>76</b>	37345420	44993835

**Long-term insurance business liabilities and margins**
**Form 14**

Printed 31/03/2009 10:00:31

Name of insurer **AXA Sun Life Plc**  
 Global business  
 Financial year ended **31st December 2008**  
 Fund **Old With Profits Fund**  
 Units **£000**

		As at the end of this financial year	As at the end of the previous year
		<b>1</b>	<b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>	940410	1030284
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus / (valuation deficit)	<b>13</b>		
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	940410	1030284
Claims outstanding	Gross amount	<b>15</b>	17254
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	17254
Provisions	Taxation	<b>21</b>	3543
	Other risks and charges	<b>22</b>	
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	10231
	Reinsurance accepted	<b>32</b>	
	Reinsurance ceded	<b>33</b>	9791
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>		
Creditors	Taxation	<b>37</b>	73
	Other	<b>38</b>	9954
Accruals and deferred income	<b>39</b>	1891	1875
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	52664	60564
Excess of the value of net admissible assets	<b>51</b>	375738	589632
Total liabilities and margins	<b>59</b>	1368812	1680480
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	1941	529
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>		
Total liabilities (11+12+49)	<b>71</b>	993074	1090848
Increase to liabilities – DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	<b>76</b>		

**Long-term insurance business liabilities and margins**
**Form 14**

Printed 31/03/2009 10:00:32

Name of insurer **AXA Sun Life Plc**  
 Global business  
 Financial year ended **31st December 2008**  
 Fund **New With Profits Fund**  
 Units **£000**

		As at the end of this financial year	As at the end of the previous year
		<b>1</b>	<b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>	4858613	5297975
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>	14	45
Balance of surplus / (valuation deficit)	<b>13</b>		
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	4858627	5298020
Claims outstanding	Gross amount	<b>15</b>	89144
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	89144
Provisions	Taxation	<b>21</b>	77996
	Other risks and charges	<b>22</b>	
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	52857
	Reinsurance accepted	<b>32</b>	
	Reinsurance ceded	<b>33</b>	50583
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>		
Creditors	Taxation	<b>37</b>	384
	Other	<b>38</b>	67415
Accruals and deferred income	<b>39</b>	9768	9641
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	269767	327248
Excess of the value of net admissible assets	<b>51</b>	741269	1874870
Total liabilities and margins	<b>59</b>	5869663	7500138
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	8761	2891
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>		
Total liabilities (11+12+49)	<b>71</b>	5128394	5625268
Increase to liabilities – DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	<b>76</b>		

**Long-term insurance business liabilities and margins**
**Form 14**

Printed 31/03/2009 10:00:32

Name of insurer **AXA Sun Life Plc**  
 Global business  
 Financial year ended **31st December 2008**  
 Fund **Non Profit Fund One**  
 Units **£000**

		As at the end of this financial year	As at the end of the previous year
		<b>1</b>	<b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>	12291300	14738777
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus / (valuation deficit)	<b>13</b>	600000	
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	12891300	14738777
Claims outstanding	Gross amount	<b>15</b>	25406
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	25406
Provisions	Taxation	<b>21</b>	
	Other risks and charges	<b>22</b>	
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	18177
	Reinsurance accepted	<b>32</b>	
	Reinsurance ceded	<b>33</b>	3648
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>		
Creditors	Taxation	<b>37</b>	44355
	Other	<b>38</b>	96098
Accruals and deferred income	<b>39</b>	12994	17838
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	200678	403268
Excess of the value of net admissible assets	<b>51</b>	245538	1000239
Total liabilities and margins	<b>59</b>	13337516	16142284
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>		10407
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	11970058	14735689
Total liabilities (11+12+49)	<b>71</b>	12491978	15142045
Increase to liabilities – DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	<b>76</b>		

**Long-term insurance business liabilities and margins**
**Form 14**

Printed 31/03/2009 10:00:32

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2008**

 Fund **Non Profit Fund Two**

 Units **£000**

		As at the end of this financial year	As at the end of the previous year	
		<b>1</b>	<b>2</b>	
Mathematical reserves, after distribution of surplus		<b>11</b>	13178241	15987966
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus / (valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>	13178241	15987966
Claims outstanding	Gross amount	<b>15</b>	19454	26470
	Reinsurers' share	<b>16</b>		
	Net (15-16)	<b>17</b>	19454	26470
Provisions	Taxation	<b>21</b>	1060	3828
	Other risks and charges	<b>22</b>		
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	5452	8780
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>		1018
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>		
Creditors	Taxation	<b>37</b>	9855	3779
	Other	<b>38</b>	154484	113933
Accruals and deferred income		<b>39</b>	7797	10279
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>	198102	168087
Excess of the value of net admissible assets		<b>51</b>		
Total liabilities and margins		<b>59</b>	13376343	16156053
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		<b>61</b>	49554	11222
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		<b>62</b>	12755745	15608368
Total liabilities (11+12+49)		<b>71</b>	13376343	16156053
Increase to liabilities – DAC related		<b>72</b>		
Reinsurers' share of technical provisions		<b>73</b>		
Other adjustments to liabilities (may be negative)		<b>74</b>		
Capital and reserves and fund for future appropriations		<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)		<b>76</b>		

**Liabilities (other than long-term insurance business)**
**Form 15**

Printed 31/03/2009 10:00:32

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2008**

	Company registration number	GL/UK/CM	day	month	year	units	
	<b>R15</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>
					As at the end of this financial year	As at the end of the previous year	
					<b>1</b>	<b>2</b>	

**Technical provisions (gross amount)**

Provision for unearned premiums		<b>11</b>			
Claims outstanding		<b>12</b>			
Provision for unexpired risks		<b>13</b>			
Equalisation provisions	Credit business	<b>14</b>			
	Other than credit business	<b>15</b>			
Other technical provisions		<b>16</b>			
Total gross technical provisions (11 to 16)		<b>19</b>			

**Provisions and creditors**

Provisions	Taxation	<b>21</b>			
	Other risks and charges	<b>22</b>			
Deposits received from reinsurers		<b>31</b>			
Creditors	Direct insurance business	<b>41</b>			
	Reinsurance accepted	<b>42</b>			
	Reinsurance ceded	<b>43</b>			
Debenture loans	Secured	<b>44</b>			
	Unsecured	<b>45</b>			
Amounts owed to credit institutions		<b>46</b>			
Creditors	Taxation	<b>47</b>			
	Foreseeable dividend	<b>48</b>			
	Other	<b>49</b>		133160	126793
Accruals and deferred income		<b>51</b>			3
Total (19 to 51)		<b>59</b>		133160	126796
Provision for "reasonably foreseeable adverse variations"		<b>61</b>			
Cumulative preference share capital		<b>62</b>			
Subordinated loan capital		<b>63</b>			
Total (59 to 63)		<b>69</b>		133160	126796

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	<b>71</b>		128016	120126
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Amounts deducted from technical provisions for discounting	<b>82</b>			
Other adjustments (may be negative)	<b>83</b>			
Capital and reserves	<b>84</b>		810612	351638
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	<b>85</b>		943772	478434



**Profit and loss account (non-technical account)**

**Form 16**

Printed 31/03/2009 10:00:33

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2008**

		Company registration number	GL/UK/CM	day	month	year	units	
		R16	3291349	GL	31	12	2008	£000
				This financial year		Previous year		
				1		2		
Transfer (to) / from the general insurance business technical account	From Form 20	11						
	Equalisation provisions	12						
Transfer from the long term insurance business revenue account		13			96864		29736	
Investment income	Income	14			21044		11197	
	Value re-adjustments on investments	15					2361	
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17			7894		4808	
	Value re-adjustments on investments	18						
	Loss on the realisation of investments	19					3141	
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			915		677770	
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29			110929		713115	
Tax on profit or loss on ordinary activities		31			(645)		227	
Profit or loss on ordinary activities after tax (29-31)		39			111574		712888	
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			111574		712888	
Dividends (paid or foreseeable)		51						
Profit or loss retained for the financial year (49-51)		59			111574		712888	

**Analysis of derivative contracts**
**Form 17**

Printed 31/03/2009 10:00:33

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2008**

 Category of assets **Total Long-Term Insurance Business Assets**

		Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
		<b>R17</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>10</b>
<b>Derivative contracts</b>		Value as at the end of this financial year			Notional amount as at the end of this financial year				
		Assets <b>1</b>		Liabilities <b>2</b>		Bought / Long <b>3</b>		Sold / Short <b>4</b>	
Futures and contracts for differences	Fixed-interest securities	<b>11</b>	752				145811	18039	
	Interest rates	<b>12</b>	39259				248757		
	Inflation	<b>13</b>							
	Credit index / basket	<b>14</b>			4749		72535		
	Credit single name	<b>15</b>	3228		188		5000	31500	
	Equity index	<b>16</b>	96717		497		487435	110644	
	Equity stock	<b>17</b>							
	Land	<b>18</b>							
	Currencies	<b>19</b>			51887			260746	
	Mortality	<b>20</b>							
	Other	<b>21</b>							
In the money options	Swaptions	<b>31</b>	51632				275887		
	Equity index calls	<b>32</b>							
	Equity stock calls	<b>33</b>							
	Equity index puts	<b>34</b>							
	Equity stock puts	<b>35</b>							
	Other	<b>36</b>							
Out of the money options	Swaptions	<b>41</b>							
	Equity index calls	<b>42</b>							
	Equity stock calls	<b>43</b>							
	Equity index puts	<b>44</b>							
	Equity stock puts	<b>45</b>							
	Other	<b>46</b>							
Total (11 to 46)		<b>51</b>	191588		57321		1235425	420929	
Adjustments for variation margin		<b>52</b>	(1178)		(497)				
Total (51 + 52)		<b>53</b>	190410		56824				

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

**Analysis of derivative contracts**
**Form 17**

Printed 31/03/2009 10:00:33

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2008**

 Category of assets **Old With Profits Fund**

		Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
		R17	3291349	GL	31	12	2008	£000	11
<b>Derivative contracts</b>		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	147				28550	3532	
	Interest rates	12	7687				48707		
	Inflation	13							
	Credit index / basket	14			717		10951		
	Credit single name	15	632		37		979	6168	
	Equity index	16	18937		97		95441	21664	
	Equity stock	17							
	Land	18							
	Currencies	19			1888			18994	
	Mortality	20							
	Other	21							
In the money options	Swaptions	31	10110				54019		
	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							
	Equity index calls	42							
	Equity stock calls	43							
	Equity index puts	44							
	Equity stock puts	45							
	Other	46							
Total (11 to 46)		51	37513		2739		238647	50358	
Adjustments for variation margin		52	(231)		(97)				
Total (51 + 52)		53	37282		2642				

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

**Analysis of derivative contracts**
**Form 17**

Printed 31/03/2009 10:00:34

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2008**

 Category of assets **New With Profits Fund**

		Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
		<b>R17</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>12</b>
<b>Derivative contracts</b>		Value as at the end of this financial year			Notional amount as at the end of this financial year				
		Assets		Liabilities		Bought / Long		Sold / Short	
		<b>1</b>		<b>2</b>		<b>3</b>		<b>4</b>	
Futures and contracts for differences	Fixed-interest securities	<b>11</b>	605				117261		14507
	Interest rates	<b>12</b>	31572				200050		
	Inflation	<b>13</b>							
	Credit index / basket	<b>14</b>			3704		56580		
	Credit single name	<b>15</b>	2596		151		4021		25332
	Equity index	<b>16</b>	77780		400		391994		88980
	Equity stock	<b>17</b>							
	Land	<b>18</b>							
	Currencies	<b>19</b>			9682				96103
	Mortality	<b>20</b>							
	Other	<b>21</b>							
In the money options	Swaptions	<b>31</b>	41522				221868		
	Equity index calls	<b>32</b>							
	Equity stock calls	<b>33</b>							
	Equity index puts	<b>34</b>							
	Equity stock puts	<b>35</b>							
	Other	<b>36</b>							
Out of the money options	Swaptions	<b>41</b>							
	Equity index calls	<b>42</b>							
	Equity stock calls	<b>43</b>							
	Equity index puts	<b>44</b>							
	Equity stock puts	<b>45</b>							
	Other	<b>46</b>							
Total (11 to 46)		<b>51</b>	154075		13937		991774		224922
Adjustments for variation margin		<b>52</b>	(947)		(400)				
Total (51 + 52)		<b>53</b>	153128		13537				

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

**Analysis of derivative contracts**

**Form 17**

Printed 31/03/2009 10:00:34

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2008**

Category of assets **Non Profit Fund One**

		Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
		<b>R17</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>13</b>
<b>Derivative contracts</b>		Value as at the end of this financial year			Notional amount as at the end of this financial year				
		Assets		Liabilities		Bought / Long		Sold / Short	
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>				
Futures and contracts for differences	Fixed-interest securities	11							
	Interest rates	12							
	Inflation	13							
	Credit index / basket	14		267		4076			
	Credit single name	15							
	Equity index	16							
	Equity stock	17							
	Land	18							
	Currencies	19		40163				144202	
	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							
	Equity index calls	42							
	Equity stock calls	43							
	Equity index puts	44							
	Equity stock puts	45							
	Other	46							
Total (11 to 46)		51		40430		4076		144202	
Adjustments for variation margin		52							
Total (51 + 52)		53		40430					

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

**Analysis of derivative contracts**
**Form 17**

Printed 31/03/2009 10:00:34

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2008**

 Category of assets **Non Profit Fund Two**

		Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
		<b>R17</b>	<b>3291349</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2008</b>	<b>£000</b>	<b>14</b>
<b>Derivative contracts</b>		Value as at the end of this financial year			Notional amount as at the end of this financial year				
		Assets <b>1</b>	Liabilities <b>2</b>	Bought / Long <b>3</b>	Sold / Short <b>4</b>				
Futures and contracts for differences	Fixed-interest securities	<b>11</b>							
	Interest rates	<b>12</b>							
	Inflation	<b>13</b>							
	Credit index / basket	<b>14</b>			61		928		
	Credit single name	<b>15</b>							
	Equity index	<b>16</b>							
	Equity stock	<b>17</b>							
	Land	<b>18</b>							
	Currencies	<b>19</b>			154			1447	
	Mortality	<b>20</b>							
	Other	<b>21</b>							
In the money options	Swaptions	<b>31</b>							
	Equity index calls	<b>32</b>							
	Equity stock calls	<b>33</b>							
	Equity index puts	<b>34</b>							
	Equity stock puts	<b>35</b>							
	Other	<b>36</b>							
Out of the money options	Swaptions	<b>41</b>							
	Equity index calls	<b>42</b>							
	Equity stock calls	<b>43</b>							
	Equity index puts	<b>44</b>							
	Equity stock puts	<b>45</b>							
	Other	<b>46</b>							
Total (11 to 46)		<b>51</b>			215		928	1447	
Adjustments for variation margin		<b>52</b>							
Total (51 + 52)		<b>53</b>			215				

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

**With-profits insurance capital component for the fund**
**Form 18**

Printed 31/03/2009 10:00:34

Name of insurer **AXA Sun Life Plc**  
 Global business  
 Financial year ended **31st December 2008**  
 With-profits fund **Old With Profits Fund**  
 Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	11	1368812	1680480
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13	72838	76199
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14	2957	2752
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		
	Total (11+12-(13+14+15))	19	1293017	1601529
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profit insurance contracts	21	867572	954086
	Regulatory current liabilities of the fund	22	52664	60564
	Total (21+22)	29	920236	1014650
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31	35025	34126
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	955261	1048776
Regulatory excess capital (19-39)		49	337756	552753

**Realistic excess capital**

Realistic excess capital	51	164111	218683
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	61	173645	334070
Face amount of capital instruments attributed to the fund and included in the capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in the capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64	14379	32017
Present value of other future internal transfers not already taken into account	65		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero; else greater of 61-64-65 and zero)	66	159266	302053

**With-profits insurance capital component for the fund**
**Form 18**

Printed 31/03/2009 10:00:35

Name of insurer **AXA Sun Life Plc**  
 Global business  
 Financial year ended **31st December 2008**  
 With-profits fund **New With Profits Fund**  
 Units **£000**

	As at end of this financial year	As at end of the previous year
	<b>1</b>	<b>2</b>

**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	5869663	7500135
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	517731	449563
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	20978	16351
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	5330954	7034221
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profit insurance contracts	<b>21</b>	4340896	4848411
	Regulatory current liabilities of the fund	<b>22</b>	269767	327293
	Total (21+22)	<b>29</b>	4610663	5175704
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	174744	172824
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	4785407	5348528
Regulatory excess capital (19-39)		<b>49</b>	545547	1685693

**Realistic excess capital**

Realistic excess capital	<b>51</b>	(207085)	(19871)
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**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	752632	1705564
Face amount of capital instruments attributed to the fund and included in the capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in the capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>	67999	163125
Present value of other future internal transfers not already taken into account	<b>65</b>	(22830)	
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero; else greater of 61-64-65 and zero)	<b>66</b>	707463	1542439



**Realistic balance sheet**
**Form 19  
(Sheet 1)**

 Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:35

Global business

 Financial year ended **31st December 2008**

 With-profits fund **Old With Profits Fund**

 Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

**Realistic value of assets available to the fund**

Regulatory value of assets	11	1293017	1601528
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in the fund (regulatory)	13		
Excess admissible assets	21	1622	461
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	6908	9664
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23	2967	929
Value of shares in subsidiaries held in the fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of the fund (11+21+22+23+24+25-(12+13))	26	1304514	1612582
Support arrangement assets	27		
Assets available to the fund (26+27)	29	1304514	1612582

**Realistic value of liabilities of fund**

With-profits benefits reserve	31	709037	938216	
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32		
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	151876	182209
	Planned deductions for the cost of guarantees, options and smoothing from with-profits benefits reserve	35		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36		
	Future costs of contractual guarantees (other than financial options)	41	110982	55500
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	57322	52174
	Future costs of smoothing (possibly negative)	44	(28646)	(21673)
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	21136	39563
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	312670	307773	
Realistic current liabilities of the fund	51	57289	69737	
Realistic value of liabilities of the fund (31+49+51)	59	1078996	1315726	

**Realistic balance sheet**

**Form 19  
(Sheet 2)**

Printed 31/03/2009 10:00:35

Name of insurer **AXA Sun Life Plc**  
 Global business  
 Financial year ended **31st December 2008**  
 With-profits fund **Old With Profits Fund**  
 Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than present value of future profits arising from business outside with-profits funds	<b>62</b>	1140403	1393899
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+ 63)	<b>64</b>	1140403	1393899
Risk capital margin for fund (62-59)	<b>65</b>	61407	78173
Realistic excess capital for fund (26-(59+65))	<b>66</b>	164111	218683
Realistic excess available capital for fund (29-(59+65))	<b>67</b>	164111	218683
Working capital for for fund (29-59)	<b>68</b>	225518	296856
Working capital ratio for fund (68/29)	<b>69</b>	17.29	18.41

**Other assets potentially available if required to cover the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Realistic balance sheet**
**Form 19**
**(Sheet 1)**

 Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:35

Global business

 Financial year ended **31st December 2008**

 With-profits fund **New With Profits Fund**

 Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

**Realistic value of assets available to the fund**

Regulatory value of assets	<b>11</b>	5330954	7034220
Implicit items allocated to the fund	<b>12</b>		
Value of shares in subsidiaries held in the fund (regulatory)	<b>13</b>		
Excess admissible assets	<b>21</b>	8380	2435
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	<b>22</b>	43806	62169
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	<b>23</b>	12185	4049
Value of shares in subsidiaries held in the fund (realistic)	<b>24</b>		
Prepayments made from the fund	<b>25</b>		
Realistic value of assets of the fund (11+21+22+23+24+25-(12+13))	<b>26</b>	5395325	7102873
Support arrangement assets	<b>27</b>	1018698	1504176
Assets available to the fund (26+27)	<b>29</b>	6414023	8607049

**Realistic value of liabilities of fund**

With-profits benefits reserve	<b>31</b>	3604693	4894127	
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	<b>32</b>		
	Past miscellaneous deficit attributed to with-profits benefits reserve	<b>33</b>		
	Planned enhancements to with-profits benefits reserve	<b>34</b>	702735	926748
	Planned deductions for the cost of guarantees, options and smoothing from with-profits benefits reserve	<b>35</b>		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	<b>36</b>		
	Future costs of contractual guarantees (other than financial options)	<b>41</b>	485817	218273
	Future costs of non-contractual commitments	<b>42</b>		
	Future costs of financial options	<b>43</b>	230107	222223
	Future costs of smoothing (possibly negative)	<b>44</b>	(115710)	(119350)
	Financing costs	<b>45</b>		
	Any other liabilities related to regulatory duty to treat customers fairly	<b>46</b>		
	Other long-term insurance liabilities	<b>47</b>	156726	238741
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	<b>49</b>	1459675	1486635	
Realistic current liabilities of the fund	<b>51</b>	269767	327293	
Realistic value of liabilities of the fund (31+49+51)	<b>59</b>	5334135	6708055	

**Realistic balance sheet****Form 19  
(Sheet 2)**Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:35

Global business

Financial year ended **31st December 2008**With-profits fund **New With Profits Fund**Units **£000**

	As at end of this financial year	As at end of the previous year
	1	2

**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than present value of future profits arising from business outside with-profits funds	<b>62</b>	5602410	7122744
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+ 63)	<b>64</b>	5602410	7122744
Risk capital margin for fund (62-59)	<b>65</b>	268275	414689
Realistic excess capital for fund (26-(59+65))	<b>66</b>	(207085)	(19871)
Realistic excess available capital for fund (29-(59+65))	<b>67</b>	811613	1484305
Working capital for for fund (29-59)	<b>68</b>	1079888	1898994
Working capital ratio for fund (68/29)	<b>69</b>	16.84	22.06

**Other assets potentially available if required to cover  
the fund's risk capital margin**

Additional amount potentially available for inclusion in line 62	<b>81</b>		
Additional amount potentially available for inclusion in line 63	<b>82</b>		

**Long-term insurance business: Revenue account**

**Form 40**

Printed 31/03/2009 10:00:35

Name of insurer **AXA Sun Life Plc**  
 Name and number of fund/Summary **Total Long-Term Insurance Business**  
 Financial year ended **31st December 2008**  
 Units **£000**

	Financial year	Previous year
	1	2

**Income**

Earned premiums	11	4024484	3145510
Investment income receivable before deduction of tax	12	1662463	1720930
Increase (decrease) in the value of non-linked assets brought into account	13	617633	(111681)
Increase (decrease) in the value of linked assets	14	(5869077)	542455
Other income	15	2008	300000
<b>Total income</b>	<b>19</b>	<b>437511</b>	<b>5597214</b>

**Expenditure**

Claims incurred	21	4751291	5802505
Expenses payable	22	770222	675670
Interest payable before deduction of tax	23	10711	6867
Taxation	24	(120650)	65260
Other expenditure	25	115542	
Transfer to (from) non technical account	26	96864	29736
<b>Total expenditure</b>	<b>29</b>	<b>5623980</b>	<b>6580038</b>

Business transfers-in	31		29465447
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(5186469)	28482623
Fund brought forward	49	37055047	8572424
Fund carried forward (39+49)	59	31868578	37055047

**Long-term insurance business: Revenue account**

**Form 40**

Printed 31/03/2009 10:00:36

Name of insurer **AXA Sun Life Plc**  
 Name and number of fund/Summary **Old With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

	Financial year	Previous year
	1	2

**Income**

Earned premiums	11	55488	62282
Investment income receivable before deduction of tax	12	66890	72196
Increase (decrease) in the value of non-linked assets brought into account	13	(79543)	59690
Increase (decrease) in the value of linked assets	14		
Other income	15	137	
<b>Total income</b>	<b>19</b>	<b>42972</b>	<b>194168</b>

**Expenditure**

Claims incurred	21	144069	214299
Expenses payable	22	9197	15504
Interest payable before deduction of tax	23	1254	661
Taxation	24	(29499)	(905)
Other expenditure	25		
Transfer to (from) non technical account	26	7825	3710
<b>Total expenditure</b>	<b>29</b>	<b>132846</b>	<b>233269</b>

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(89874)	(39101)
Fund brought forward	49	1030284	1069385
Fund carried forward (39+49)	59	940410	1030284

**Long-term insurance business: Revenue account**

**Form 40**

Printed 31/03/2009 10:00:36

Name of insurer **AXA Sun Life Plc**  
 Name and number of fund/Summary **New With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

	Financial year	Previous year
	1	2

**Income**

Earned premiums	11	280553	309626
Investment income receivable before deduction of tax	12	294191	335535
Increase (decrease) in the value of non-linked assets brought into account	13	(156687)	122853
Increase (decrease) in the value of linked assets	14		
Other income	15	588	
<b>Total income</b>	<b>19</b>	<b>418645</b>	<b>768014</b>

**Expenditure**

Claims incurred	21	870645	1436739
Expenses payable	22	50934	74966
Interest payable before deduction of tax	23	4536	3653
Taxation	24	(90796)	5523
Other expenditure	25		
Transfer to (from) non technical account	26	22719	26026
<b>Total expenditure</b>	<b>29</b>	<b>858038</b>	<b>1546907</b>

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(439393)	(778893)
Fund brought forward	49	5298020	6076913
Fund carried forward (39+49)	59	4858627	5298020

**Long-term insurance business: Revenue account**

**Form 40**

Printed 31/03/2009 10:00:36

Name of insurer **AXA Sun Life Plc**  
 Name and number of fund/Summary **Non Profit Fund One**  
 Financial year ended **31st December 2008**  
 Units **£000**

	Financial year	Previous year
	1	2

**Income**

Earned premiums	11	1455565	1650329
Investment income receivable before deduction of tax	12	726208	679412
Increase (decrease) in the value of non-linked assets brought into account	13	608238	(372257)
Increase (decrease) in the value of linked assets	14	(2561463)	208332
Other income	15	1278	193761
<b>Total income</b>	<b>19</b>	<b>229826</b>	<b>2359577</b>

**Expenditure**

Claims incurred	21	1590225	1506717
Expenses payable	22	383741	329097
Interest payable before deduction of tax	23	642	757
Taxation	24	(13260)	58859
Other expenditure	25	74625	
Transfer to (from) non technical account	26	41330	
<b>Total expenditure</b>	<b>29</b>	<b>2077303</b>	<b>1895430</b>

Business transfers-in	31		13985256
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(1847477)	14449403
Fund brought forward	49	14738777	289374
Fund carried forward (39+49)	59	12891300	14738777



**Long-term insurance business: Revenue account**

**Form 40**

Printed 31/03/2009 10:00:36

Name of insurer **AXA Sun Life Plc**  
 Name and number of fund/Summary **Non Profit Fund Two**  
 Financial year ended **31st December 2008**  
 Units **£000**

	Financial year	Previous year
	1	2

**Income**

Earned premiums	11	2232878	1123273
Investment income receivable before deduction of tax	12	575174	633787
Increase (decrease) in the value of non-linked assets brought into account	13	245625	78033
Increase (decrease) in the value of linked assets	14	(3307614)	334123
Other income	15	5	106239
<b>Total income</b>	<b>19</b>	<b>(253932)</b>	<b>2275455</b>

**Expenditure**

Claims incurred	21	2146352	2644750
Expenses payable	22	326350	256103
Interest payable before deduction of tax	23	4279	1796
Taxation	24	12905	1783
Other expenditure	25	40917	
Transfer to (from) non technical account	26	24990	
<b>Total expenditure</b>	<b>29</b>	<b>2555793</b>	<b>2904432</b>

Business transfers-in	31		15480191
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(2809725)	14851214
Fund brought forward	49	15987966	1136752
Fund carried forward (39+49)	59	13178241	15987966

**Long-term insurance business: Analysis of premiums**

**Form 41**

Printed 31/03/2009 10:00:36

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Total Long-Term Insurance Business**  
 Financial year ended **31st December 2008**  
 Units **£000**

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

**Gross**

Regular premiums	11	442140	976536	2773	1421449	1241445
Single premiums	12	1307902	1782434	142	3090478	3144240

**Reinsurance - external**

Regular premiums	13	33594		24	33618	28910
Single premiums	14	1898			1898	117932

**Reinsurance - intra-group**

Regular premiums	15	32	17305		17337	(116)
Single premiums	16	93	434497		434590	1093449

**Net of reinsurance**

Regular premiums	17	408514	959231	2749	1370494	1212651
Single premiums	18	1305911	1347937	142	2653990	1932859

**Total**

Gross	19	1750042	2758970	2915	4511927	4385685
Reinsurance	20	35617	451802	24	487443	1240175
Net	21	1714425	2307168	2891	4024484	3145510

**Long-term insurance business: Analysis of premiums**

**Form 41**

Printed 31/03/2009 10:00:37

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Old With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

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

**Gross**

Regular premiums	11	36098	4697	85	40880	45050
Single premiums	12	157	14532	12	14701	17351

**Reinsurance - external**

Regular premiums	13	91		2	93	119
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	36007	4697	83	40787	44931
Single premiums	18	157	14532	12	14701	17351

**Total**

Gross	19	36255	19229	97	55581	62401
Reinsurance	20	91		2	93	119
Net	21	36164	19229	95	55488	62282

**Long-term insurance business: Analysis of premiums**

**Form 41**

Printed 31/03/2009 10:00:37

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **New With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

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

**Gross**

Regular premiums	11	175804	39623	2317	217744	237930
Single premiums	12	1020	62395	112	63527	72591

**Reinsurance - external**

Regular premiums	13	696		22	718	895
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	175108	39623	2295	217026	237035
Single premiums	18	1020	62395	112	63527	72591

**Total**

Gross	19	176824	102018	2429	281271	310521
Reinsurance	20	696		22	718	895
Net	21	176128	102018	2407	280553	309626

**Long-term insurance business: Analysis of premiums**

**Form 41**

Printed 31/03/2009 10:00:37

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Non Profit Fund One**  
 Financial year ended **31st December 2008**  
 Units **£000**

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

**Gross**

Regular premiums	11	210308		210308	188677
Single premiums	12	1270911		1270911	1462972

**Reinsurance - external**

Regular premiums	13	25529		25529	20521
Single premiums	14				

**Reinsurance - intra-group**

Regular premiums	15	32		32	(89)
Single premiums	16	93		93	(19112)

**Net of reinsurance**

Regular premiums	17	184747		184747	168245
Single premiums	18	1270818		1270818	1482084

**Total**

Gross	19	1481219		1481219	1651649
Reinsurance	20	25654		25654	1320
Net	21	1455565		1455565	1650329

**Long-term insurance business: Analysis of premiums**

**Form 41**

Printed 31/03/2009 10:00:37

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Non Profit Fund Two**  
 Financial year ended **31st December 2008**  
 Units **£000**

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

**Gross**

Regular premiums	11	19930	932216	371	952517	769788
Single premiums	12	35814	1705507	18	1741339	1591326

**Reinsurance - external**

Regular premiums	13	7278			7278	7375
Single premiums	14	1898			1898	117932

**Reinsurance - intra-group**

Regular premiums	15		17305		17305	(27)
Single premiums	16		434497		434497	1112561

**Net of reinsurance**

Regular premiums	17	12652	914911	371	927934	762440
Single premiums	18	33916	1271010	18	1304944	360833

**Total**

Gross	19	55744	2637723	389	2693856	2361114
Reinsurance	20	9176	451802		460978	1237841
Net	21	46568	2185921	389	2232878	1123273

**Long-term insurance business: Analysis of claims**

**Form 42**

Printed 31/03/2009 10:00:38

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Total Long-Term Insurance Business**  
 Financial year ended **31st December 2008**  
 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	326825	47733	160	374718	375492
Disability periodic payments	12	43658		128	43786	867361
Surrender or partial surrender	13	1680172	1311144	34769	3026085	4127445
Annuity payments	14	1023	110096	420	111539	101109
Lump sums on maturity	15	171473	1170312	1511	1343296	344366
<b>Total</b>	<b>16</b>	<b>2223151</b>	<b>2639285</b>	<b>36988</b>	<b>4899424</b>	<b>5815773</b>

**Reinsurance - external**

Death or disability lump sums	21	7563			7563	5694
Disability periodic payments	22	6781			6781	5319
Surrender or partial surrender	23		48108		48108	
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>14344</b>	<b>48108</b>		<b>62452</b>	<b>11013</b>

**Reinsurance - intra-group**

Death or disability lump sums	31	11	(2)		9	
Disability periodic payments	32					1894
Surrender or partial surrender	33					271
Annuity payments	34		85597		85597	
Lump sums on maturity	35		75		75	90
<b>Total</b>	<b>36</b>	<b>11</b>	<b>85670</b>		<b>85681</b>	<b>2255</b>

**Net of reinsurance**

Death or disability lump sums	41	319251	47735	160	367146	369798
Disability periodic payments	42	36877		128	37005	860148
Surrender or partial surrender	43	1680172	1263036	34769	2977977	4127174
Annuity payments	44	1023	24499	420	25942	101109
Lump sums on maturity	45	171473	1170237	1511	1343221	344276
<b>Total</b>	<b>46</b>	<b>2208796</b>	<b>2505507</b>	<b>36988</b>	<b>4751291</b>	<b>5802505</b>

**Long-term insurance business: Analysis of claims**

**Form 42**

Printed 31/03/2009 10:00:38

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Old With Profits Fund**  
 Financial year ended **31st December 2008**  
 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	13158	1123		14281	14682
Disability periodic payments	12					
Surrender or partial surrender	13	54633	29000	4008	87641	181222
Annuity payments	14	2	2981	8	2991	2481
Lump sums on maturity	15	16046	23652	82	39780	16349
<b>Total</b>	<b>16</b>	<b>83839</b>	<b>56756</b>	<b>4098</b>	<b>144693</b>	<b>214734</b>

**Reinsurance - external**

Death or disability lump sums	21	624			624	435
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>624</b>			<b>624</b>	<b>435</b>

**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					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Death or disability lump sums	41	12534	1123		13657	14247
Disability periodic payments	42					
Surrender or partial surrender	43	54633	29000	4008	87641	181222
Annuity payments	44	2	2981	8	2991	2481
Lump sums on maturity	45	16046	23652	82	39780	16349
<b>Total</b>	<b>46</b>	<b>83215</b>	<b>56756</b>	<b>4098</b>	<b>144069</b>	<b>214299</b>



**Long-term insurance business: Analysis of claims**

**Form 42**

Printed 31/03/2009 10:00:38

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **New With Profits Fund**  
 Financial year ended **31st December 2008**  
 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	74236	4809	160	79205	86911
Disability periodic payments	12					
Surrender or partial surrender	13	281931	129423	30761	442115	1158562
Annuity payments	14	11	21568	15	21594	18869
Lump sums on maturity	15	139478	187091	1429	327998	172621
<b>Total</b>	<b>16</b>	<b>495656</b>	<b>342891</b>	<b>32365</b>	<b>870912</b>	<b>1436963</b>

**Reinsurance - external**

Death or disability lump sums	21	267			267	224
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>267</b>			<b>267</b>	<b>224</b>

**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					
<b>Total</b>	<b>36</b>					

**Net of reinsurance**

Death or disability lump sums	41	73969	4809	160	78938	86687
Disability periodic payments	42					
Surrender or partial surrender	43	281931	129423	30761	442115	1158562
Annuity payments	44	11	21568	15	21594	18869
Lump sums on maturity	45	139478	187091	1429	327998	172621
<b>Total</b>	<b>46</b>	<b>495389</b>	<b>342891</b>	<b>32365</b>	<b>870645</b>	<b>1436739</b>

**Long-term insurance business: Analysis of claims**

**Form 42**

Printed 31/03/2009 10:00:38

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Non Profit Fund One**  
 Financial year ended **31st December 2008**  
 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	240117		240117	231273
Disability periodic payments	12	821		821	417934
Surrender or partial surrender	13	1340384		1340384	848341
Annuity payments	14	1010		1010	1107
Lump sums on maturity	15	15791		15791	13863
<b>Total</b>	<b>16</b>	<b>1598123</b>		<b>1598123</b>	<b>1512518</b>

**Reinsurance - external**

Death or disability lump sums	21	6672		6672	5035
Disability periodic payments	22	1215		1215	
Surrender or partial surrender	23				
Annuity payments	24				
Lump sums on maturity	25				
<b>Total</b>	<b>26</b>	<b>7887</b>		<b>7887</b>	<b>5035</b>

**Reinsurance - intra-group**

Death or disability lump sums	31	11		11	
Disability periodic payments	32				766
Surrender or partial surrender	33				
Annuity payments	34				
Lump sums on maturity	35				
<b>Total</b>	<b>36</b>	<b>11</b>		<b>11</b>	<b>766</b>

**Net of reinsurance**

Death or disability lump sums	41	233434		233434	226238
Disability periodic payments	42	(394)		(394)	417168
Surrender or partial surrender	43	1340384		1340384	848341
Annuity payments	44	1010		1010	1107
Lump sums on maturity	45	15791		15791	13863
<b>Total</b>	<b>46</b>	<b>1590225</b>		<b>1590225</b>	<b>1506717</b>

**Long-term insurance business: Analysis of claims**

**Form 42**

Printed 31/03/2009 10:00:39

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Non Profit Fund Two**  
 Financial year ended **31st December 2008**  
 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	(686)	41801		41115	42626
Disability periodic payments	12	42837		128	42965	449427
Surrender or partial surrender	13	3224	1152721		1155945	1939320
Annuity payments	14		85547	397	85944	78652
Lump sums on maturity	15	158	959569		959727	141533
<b>Total</b>	<b>16</b>	<b>45533</b>	<b>2239638</b>	<b>525</b>	<b>2285696</b>	<b>2651558</b>

**Reinsurance - external**

Death or disability lump sums	21					
Disability periodic payments	22	5566			5566	5319
Surrender or partial surrender	23		48108		48108	
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>5566</b>	<b>48108</b>		<b>53674</b>	<b>5319</b>

**Reinsurance - intra-group**

Death or disability lump sums	31		(2)		(2)	
Disability periodic payments	32					1128
Surrender or partial surrender	33					271
Annuity payments	34		85597		85597	
Lump sums on maturity	35		75		75	90
<b>Total</b>	<b>36</b>		<b>85670</b>		<b>85670</b>	<b>1489</b>

**Net of reinsurance**

Death or disability lump sums	41	(686)	41803		41117	42626
Disability periodic payments	42	37271		128	37399	442980
Surrender or partial surrender	43	3224	1104613		1107837	1939049
Annuity payments	44		(50)	397	347	78652
Lump sums on maturity	45	158	959494		959652	141443
<b>Total</b>	<b>46</b>	<b>39967</b>	<b>2105860</b>	<b>525</b>	<b>2146352</b>	<b>2644750</b>

**Long-term insurance business: Analysis of expenses**

**Form 43**

Printed 31/03/2009 10:00:39

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Total Long-Term Insurance Business**  
 Financial year ended **31st December 2008**  
 Units **£000**

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

**Gross**

Commission - acquisition	11	157738	64731	1402	223871	246722
Commission - other	12	25053	15612	219	40884	41272
Management - acquisition	13	105575	137816		243391	194415
Management - maintenance	14	152104	109972		262076	193261
Management - other	15					
<b>Total</b>	<b>16</b>	<b>440470</b>	<b>328131</b>	<b>1621</b>	<b>770222</b>	<b>675670</b>

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Commission - acquisition	41	157738	64731	1402	223871	246722
Commission - other	42	25053	15612	219	40884	41272
Management - acquisition	43	105575	137816		243391	194415
Management - maintenance	44	152104	109972		262076	193261
Management - other	45					
<b>Total</b>	<b>46</b>	<b>440470</b>	<b>328131</b>	<b>1621</b>	<b>770222</b>	<b>675670</b>

**Long-term insurance business: Analysis of expenses**

**Form 43**

Printed 31/03/2009 10:00:39

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Old With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

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

**Gross**

Commission - acquisition	11	453	128	175	756	1028
Commission - other	12	557	152	2	711	747
Management - acquisition	13	113	178		291	408
Management - maintenance	14	4687	2752		7439	13321
Management - other	15					
<b>Total</b>	<b>16</b>	<b>5810</b>	<b>3210</b>	<b>177</b>	<b>9197</b>	<b>15504</b>

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Commission - acquisition	41	453	128	175	756	1028
Commission - other	42	557	152	2	711	747
Management - acquisition	43	113	178		291	408
Management - maintenance	44	4687	2752		7439	13321
Management - other	45					
<b>Total</b>	<b>46</b>	<b>5810</b>	<b>3210</b>	<b>177</b>	<b>9197</b>	<b>15504</b>

**Long-term insurance business: Analysis of expenses**

**Form 43**

Printed 31/03/2009 10:00:40

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **New With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

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

**Gross**

Commission - acquisition	11	4053	690	1227	5970	7213
Commission - other	12	3254	818	217	4289	4019
Management - acquisition	13	769	1119		1888	2697
Management - maintenance	14	29712	9075		38787	61037
Management - other	15					
<b>Total</b>	<b>16</b>	<b>37788</b>	<b>11702</b>	<b>1444</b>	<b>50934</b>	<b>74966</b>

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Commission - acquisition	41	4053	690	1227	5970	7213
Commission - other	42	3254	818	217	4289	4019
Management - acquisition	43	769	1119		1888	2697
Management - maintenance	44	29712	9075		38787	61037
Management - other	45					
<b>Total</b>	<b>46</b>	<b>37788</b>	<b>11702</b>	<b>1444</b>	<b>50934</b>	<b>74966</b>

**Long-term insurance business: Analysis of expenses**

**Form 43**

Printed 31/03/2009 10:00:40

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Non Profit Fund One**  
 Financial year ended **31st December 2008**  
 Units **£000**

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

**Gross**

Commission - acquisition	11	150228		150228	173164
Commission - other	12	21314		21314	22479
Management - acquisition	13	101608		101608	82031
Management - maintenance	14	110591		110591	51423
Management - other	15				
<b>Total</b>	<b>16</b>	<b>383741</b>		<b>383741</b>	<b>329097</b>

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Commission - acquisition	41	150228		150228	173164
Commission - other	42	21314		21314	22479
Management - acquisition	43	101608		101608	82031
Management - maintenance	44	110591		110591	51423
Management - other	45				
<b>Total</b>	<b>46</b>	<b>383741</b>		<b>383741</b>	<b>329097</b>

**Long-term insurance business: Analysis of expenses**

**Form 43**

Printed 31/03/2009 10:00:40

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Non Profit Fund Two**  
 Financial year ended **31st December 2008**  
 Units **£000**

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

**Gross**

Commission - acquisition	11	3004	63913		66917	65317
Commission - other	12	(72)	14642		14570	14027
Management - acquisition	13	3085	136519		139604	109279
Management - maintenance	14	7114	98145		105259	67480
Management - other	15					
<b>Total</b>	<b>16</b>	<b>13131</b>	<b>313219</b>		<b>326350</b>	<b>256103</b>

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Commission - acquisition	41	3004	63913		66917	65317
Commission - other	42	(72)	14642		14570	14027
Management - acquisition	43	3085	136519		139604	109279
Management - maintenance	44	7114	98145		105259	67480
Management - other	45					
<b>Total</b>	<b>46</b>	<b>13131</b>	<b>313219</b>		<b>326350</b>	<b>256103</b>



**Long-term insurance business: Linked funds balance sheet**

**Form 44**

Printed 31/03/2009 10:00:40

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2008**

Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Internal linked funds (excluding cross investment)**

Directly held assets (excluding collective investment schemes)	<b>11</b>	21895370	25912135
Directly held assets in collective investment schemes of connected companies	<b>12</b>	126356	149574
Directly held assets in other collective investment schemes	<b>13</b>	2742107	4158509
<b>Total assets (excluding cross investment) (11+12+13)</b>	<b>14</b>	24763833	30220218
Provision for tax on unrealised capital gains	<b>15</b>		
Secured and unsecured loans	<b>16</b>	6653	7052
Other liabilities	<b>17</b>	103796	204044
<b>Total net assets (14-15-16-17)</b>	<b>18</b>	24653384	30009122

**Directly held linked assets**

Value of directly held linked assets	<b>21</b>	89032	211895
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**Total**

Value of directly held linked assets and units held (18+21)	<b>31</b>	24742416	30221017
Surplus units	<b>32</b>	35548	91289
Deficit units	<b>33</b>	18768	2988
<b>Net unit liability (31-32+33)</b>	<b>34</b>	24725636	30132716

**Long-term insurance business: revenue account for internal linked funds**

**Form 45**

Printed 31/03/2009 10:00:41

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2008**

Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Income**

Value of total creation of units	<b>11</b>	4821282	5273853
Investment income attributable to the funds before deduction of tax	<b>12</b>	1140322	1097002
Increase (decrease) in the value of investments in the financial year	<b>13</b>	(5836808)	555757
Other income	<b>14</b>	28703	29154351
<b>Total income</b>	<b>19</b>	153499	36080963

**Expenditure**

Value of total cancellation of units	<b>21</b>	5094777	5612619
Charges for management	<b>22</b>	293124	313283
Charges in respect of tax on investment income	<b>23</b>	65417	80566
Taxation on realised capital gains	<b>24</b>	17732	36083
Increase (decrease) in amount set aside for tax on capital gains not yet realised	<b>25</b>		
Other expenditure	<b>26</b>	38187	29290
<b>Total expenditure</b>	<b>29</b>	5509237	6071841

Increase (decrease) in funds in financial year (19-29)	<b>39</b>	(5355738)	30009122
Internal linked fund brought forward	<b>49</b>	30009122	
Internal linked funds carried forward (39+49)	<b>59</b>	24653384	30009122

**Long-term insurance business: Summary of new business**

**Form 46**

Printed 31/03/2009 10:00:41

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2008**

Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial year <b>4</b>	Total Previous year <b>5</b>
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**Number of new policyholders / scheme members for direct insurance business**

Regular premium business	<b>11</b>	225462	39266	24	264752	226833
Single premium business	<b>12</b>	23766	23261		47027	71707
<b>Total</b>	<b>13</b>	249228	62527	24	311779	298540

**Amount of new regular premiums**

Direct insurance business	<b>21</b>	64556	174201	248	239005	251984
External reinsurance	<b>22</b>					
Intra-group reinsurance	<b>23</b>	659	10757		11416	16418
<b>Total</b>	<b>24</b>	65215	184958	248	250421	268402

**Amount of new single premiums**

Direct insurance business	<b>25</b>	1290125	1630822	54	2921001	3005339
External reinsurance	<b>26</b>					
Intra-group reinsurance	<b>27</b>	17777	151612	88	169477	138899
<b>Total</b>	<b>28</b>	1307902	1782434	142	3090478	3144238

**Long-term insurance business: Analysis of new business**

**Form 47  
(Sheet 1)**

Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:42

Total business

Financial year ended **31st December 2008**

Units **£000**

UK Life / Direct insurance business

Product code number <b>1</b>	Product description <b>2</b>	Regular premium business		Single premium business	
		Number of policyholders / scheme members <b>3</b>	Amount of premiums <b>4</b>	Number of policyholders / scheme members <b>5</b>	Amount of premiums <b>6</b>
120	Conventional endowment with-profits OB savings	2605	670		
300	Regular premium non-profit WL/EA OB	140490	24420		
325	Level term assurance	26975	8821		
330	Decreasing term assurance	13359	3195		
335	Decreasing term assurance (rider benefits)			74	997
340	Accelerated critical illness (guaranteed premiums)	33192	17098		
345	Accelerated critical illness (reviewable premiums)	2489	1512		
350	Stand-alone critical illness (guaranteed premiums)	2271	1140		
355	Stand-alone critical illness (reviewable premiums)	462	232		
360	Income protection non-profit (guaranteed premiums)	2555	1254		
365	Income protection non-profit (reviewable premiums)	154	65		
390	Deferred annuity non-profit			16	752
395	Annuity non-profit (PLA)			248	24290
410	Group Life	3	1		
415	Collective Life				55716
420	Group income protection				677
500	Life UWP single premium			26	1997
505	Life UWP whole life regular premium	21	466		
506	Life UWP whole life regular premium (ISA)	22	21	1	4
510	Life UWP endowment regular premium - savings	6	70		
575	Miscellaneous UWP		1		5
700	Life property linked single premium			23230	1195198
705	Life property linked single premium quasi index linked			96	2231
710	Life property linked whole life regular premium	718	4465		
715	Life property linked endowment regular premium - savings	140	464		
795	Miscellaneous property linked		661		
905	Index linked annuity			75	8258

**Long-term insurance business: Analysis of new business**

**Form 47  
(Sheet 2)**

Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:42

Total business

Financial year ended **31st December 2008**

Units **£000**

UK Life / Reinsurance accepted intra-group

Product code number <b>1</b>	Product description <b>2</b>	Regular premium business		Single premium business	
		Number of policyholders / scheme members <b>3</b>	Amount of premiums <b>4</b>	Number of policyholders / scheme members <b>5</b>	Amount of premiums <b>6</b>
700	Life property linked single premium				17697
710	Life property linked whole life regular premium		658		
715	Life property linked endowment regular premium - savings		1		
500	Life UWP single premium				80

**Long-term insurance business: Analysis of new business**

**Form 47  
(Sheet 3)**

Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:42

Total business

Financial year ended **31st December 2008**

Units **£000**

UK Pension / Direct insurance business

Product code number <b>1</b>	Product description <b>2</b>	Regular premium business		Single premium business	
		Number of policyholders / scheme members <b>3</b>	Amount of premiums <b>4</b>	Number of policyholders / scheme members <b>5</b>	Amount of premiums <b>6</b>
400	Annuity non-profit (CPA)			9960	175153
410	Group Life	10	2		
525	Individual pensions UWP	77	102	161	5611
530	Individual pensions UWP - increments		1155		6545
535	Group money purchase pensions UWP	380	354	1353	3544
540	Group money purchase pensions UWP - increments		792		8493
555	Group deposit administration with-profits	295	645		
560	Group deposit administration with-profits - increments		575		579
565	DWP National Insurance rebates UWP				21456
570	Income drawdown UWP				1543
571	Trustee investment plan UWP			1	260
575	Miscellaneous UWP				158
725	Individual pensions property linked	11356	47419	7650	449744
730	Individual pensions property linked - increments		7260		310133
735	Group money purchase pensions property linked	26966	67774	3631	152153
740	Group money purchase pensions property linked - increments		46501		109249
745	DWP National Insurance rebates property linked				17944
750	Income drawdown property linked				89850
755	Trustee investment plan	34	1247	47	270285
760	Small self administered schemes		55	6	130
765	Group managed fund	148	320		
905	Index linked annuity			452	7992

**Long-term insurance business: Analysis of new business**

**Form 47  
(Sheet 4)**

Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:42

Total business

Financial year ended **31st December 2008**

Units **£000**

UK Pension / Reinsurance accepted intra-group

Product code number <b>1</b>	Product description <b>2</b>	Regular premium business		Single premium business	
		Number of policyholders / scheme members <b>3</b>	Amount of premiums <b>4</b>	Number of policyholders / scheme members <b>5</b>	Amount of premiums <b>6</b>
725	Individual pensions property linked		38		36622
730	Individual pensions property linked - increments		1307		31420
735	Group money purchase pensions property linked		4337		1107
740	Group money purchase pensions property linked - increments		4932		28339
745	DWP National Insurance rebates property linked				44064
750	Income drawdown property linked				896
755	Trustee investment plan				971
760	Small self administered schemes		143		8193

**Long-term insurance business: Analysis of new business**

**Form 47  
(Sheet 5)**

Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:42

Total business

Financial year ended **31st December 2008**

Units **£000**

Overseas / Direct insurance business

Product code number <b>1</b>	Product description <b>2</b>	Regular premium business		Single premium business	
		Number of policyholders / scheme members <b>3</b>	Amount of premiums <b>4</b>	Number of policyholders / scheme members <b>5</b>	Amount of premiums <b>6</b>
175	Group conventional deferred annuity with-profits				6
395	Annuity non-profit (PLA)				48
505	Life UWP whole life regular premium		14		
510	Life UWP endowment regular premium - savings		4		
555	Group deposit administration with-profits	24	44		
560	Group deposit administration with-profits - increments		15		
710	Life property linked whole life regular premium		129		
715	Life property linked endowment regular premium - savings		11		
795	Miscellaneous property linked		31		



**Long-term insurance business: Analysis of new business**

**Form 47  
(Sheet 6)**

Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:42

Total business

Financial year ended **31st December 2008**

Units **£000**

Overseas / Reinsurance accepted intra-group

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
500	Life UWP single premium				88

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

**Form 48**

Printed 31/03/2009 10:00:43

Name of insurer **AXA Sun Life Plc**  
 Financial year ended **31st December 2008**  
 Category of assets **Total Long-Term Insurance Business Assets**  
 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	268779	268779	12211	3.48	
Other fixed interest securities	13	865231	969610	60840	6.86	
Variable interest securities	14	148944	148944	5871	3.73	
UK listed equity shares	15		4587	249		
Non-UK listed equity shares	16	405535	632024	24103	5.30	
Unlisted equity shares	17	1243	1243			
Other assets	18	592621	257166	4219	1.55	
<b>Total</b>	<b>19</b>	<b>2282353</b>	<b>2282353</b>	<b>107493</b>	<b>5.21</b>	

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

Land and buildings	21	718097	755972	51847	6.86	(21.34)
Approved fixed interest securities	22	645487	645487	29321	3.48	13.69
Other fixed interest securities	23	1588480	1595491	89473	7.00	(16.66)
Variable interest securities	24	38225	38225	1554	4.02	(0.37)
UK listed equity shares	25	1793954	1792465	98665	9.64	(28.16)
Non-UK listed equity shares	26	599306	645069	33728	9.08	(17.60)
Unlisted equity shares	27	17135	367445			(19.56)
Other assets	28	1223287	783817	25712	3.21	6.00
<b>Total</b>	<b>29</b>	<b>6623971</b>	<b>6623971</b>	<b>330300</b>	<b>6.70</b>	<b>(14.83)</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					(18.12)
Return allocated to non taxable 'asset shares'	32					(18.12)
Return allocated to taxable 'asset shares'	33					(15.41)

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

**Form 48**

Printed 31/03/2009 10:00:43

Name of insurer **AXA Sun Life Plc**  
 Financial year ended **31st December 2008**  
 Category of assets **Old With Profits Fund**  
 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	22009	22009	1000	3.48	
Other fixed interest securities	13	35216	35216	1915	6.73	
Variable interest securities	14	16783	16783	674	4.02	
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18					
<b>Total</b>	<b>19</b>	<b>74008</b>	<b>74008</b>	<b>3589</b>	<b>5.15</b>	

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

Land and buildings	21	119635	125945	8638	6.86	(21.34)
Approved fixed interest securities	22	115131	115131	5230	3.48	13.69
Other fixed interest securities	23	301018	301778	16361	6.72	(16.66)
Variable interest securities	24	12292	12292	494	4.02	(0.37)
UK listed equity shares	25	298873	298625	16438	9.64	(28.16)
Non-UK listed equity shares	26	99846	107478	5619	9.08	(17.60)
Unlisted equity shares	27	2855	61216			(19.56)
Other assets	28	343368	270552	12512	4.58	6.00
<b>Total</b>	<b>29</b>	<b>1293018</b>	<b>1293017</b>	<b>65292</b>	<b>6.52</b>	<b>(12.39)</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					(18.12)
Return allocated to non taxable 'asset shares'	32					(18.12)
Return allocated to taxable 'asset shares'	33					(15.41)

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

**Form 48**

Printed 31/03/2009 10:00:43

Name of insurer **AXA Sun Life Plc**  
 Financial year ended **31st December 2008**  
 Category of assets **New With Profits Fund**  
 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	155679	155679	7072	3.48	
Other fixed interest securities	13	249805	249805	14153	7.06	
Variable interest securities	14	119916	119916	4902	4.02	
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18					
<b>Total</b>	<b>19</b>	<b>525400</b>	<b>525400</b>	<b>26127</b>	<b>5.31</b>	

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

Land and buildings	21	598462	630027	43209	6.86	(21.34)
Approved fixed interest securities	22	530356	530356	24091	3.48	13.69
Other fixed interest securities	23	1287462	1293713	73112	7.06	(16.66)
Variable interest securities	24	25933	25933	1060	4.02	(0.37)
UK listed equity shares	25	1495081	1493840	82227	9.64	(28.16)
Non-UK listed equity shares	26	499460	537591	28109	9.08	(17.60)
Unlisted equity shares	27	14280	306229			(19.56)
Other assets	28	879919	513265	13200	2.49	6.00
<b>Total</b>	<b>29</b>	<b>5330953</b>	<b>5330954</b>	<b>265008</b>	<b>6.75</b>	<b>(15.42)</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					(18.12)
Return allocated to non taxable 'asset shares'	32					(18.12)
Return allocated to taxable 'asset shares'	33					(15.41)

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

**Form 48**

Printed 31/03/2009 10:00:43

Name of insurer **AXA Sun Life Plc**  
 Financial year ended **31st December 2008**  
 Category of assets **Non Profit Fund One**  
 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	45713	45713	2077	3.48	
Other fixed interest securities	13	341529	440893	28164	5.72	
Variable interest securities	14	11451	11451	275	0.54	
UK listed equity shares	15		4587	249		
Non-UK listed equity shares	16	405535	632024	24103	5.30	
Unlisted equity shares	17	1243	1243			
Other assets	18	458110	127670	3873	2.93	
<b>Total</b>	<b>19</b>	<b>1263581</b>	<b>1263581</b>	<b>58741</b>	<b>5.07</b>	

**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					
<b>Total</b>	<b>29</b>					

**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**

**Form 48**

Printed 31/03/2009 10:00:44

Name of insurer **AXA Sun Life Plc**  
 Financial year ended **31st December 2008**  
 Category of assets **Non Profit Fund Two**  
 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	45378	45378	2062	3.48	
Other fixed interest securities	13	238681	243696	16608	8.73	
Variable interest securities	14	794	794	20	0.54	
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18	134511	129496	346	0.19	
<b>Total</b>	<b>19</b>	<b>419364</b>	<b>419364</b>	<b>19036</b>	<b>5.51</b>	

**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					
<b>Total</b>	<b>29</b>					

**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: Fixed and variable interest assets**

**Form 49**

Printed 31/03/2009 10:00:44

Name of insurer **AXA Sun Life Plc**  
 Financial year ended **31st December 2008**  
 Category of assets **Total Long-Term Insurance Business Assets**  
 Units **£000**

		Value of assets <b>1</b>	Mean term <b>2</b>	Yield before adjustment <b>3</b>	Yield after adjustment <b>4</b>
<b>UK government approved fixed interest securities</b>	<b>11</b>	631035	12.59	3.20	3.20
<b>Other approved fixed interest securities</b>	<b>21</b>	283231	8.87	4.11	3.85
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>	193980	7.40	5.55	5.37
AA/Aa	<b>32</b>	384062	6.53	5.84	5.12
A/A	<b>33</b>	813204	9.34	8.71	6.87
BBB/Baa	<b>34</b>	248013	8.08	9.11	7.06
BB/Ba	<b>35</b>	6202	5.05	26.34	3.37
B/B	<b>36</b>	2011	4.66	37.74	3.76
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>	917630	1.66	5.49	2.91
<b>Total other fixed interest securities</b>	<b>39</b>	2565102	5.89	6.99	5.09
<b>Approved variable interest securities</b>	<b>41</b>	43033	25.86	0.56	0.56
<b>Other variable interest securities</b>	<b>51</b>	144136	8.19	5.05	4.82
<b>Total (11+21+39+41+51)</b>	<b>61</b>	3666537	7.60	5.96	4.61

**Long-term insurance business: Fixed and variable interest assets**

**Form 49**

Printed 31/03/2009 10:00:44

Name of insurer **AXA Sun Life Plc**  
 Financial year ended **31st December 2008**  
 Category of assets **Old With Profits Fund**  
 Units **£000**

		Value of assets <b>1</b>	Mean term <b>2</b>	Yield before adjustment <b>3</b>	Yield after adjustment <b>4</b>
<b>UK government approved fixed interest securities</b>	<b>11</b>	94655	12.59	3.20	3.20
<b>Other approved fixed interest securities</b>	<b>21</b>	42485	8.87	4.11	3.85
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>	24665	7.40	5.54	5.37
AA/Aa	<b>32</b>	48804	6.52	5.84	5.11
A/A	<b>33</b>	102287	9.44	8.80	6.94
BBB/Baa	<b>34</b>	30868	8.06	9.10	7.04
BB/Ba	<b>35</b>	787	5.05	26.34	3.37
B/B	<b>36</b>	255	4.66	37.74	3.76
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>	129329	1.85	5.08	3.12
<b>Total other fixed interest securities</b>	<b>39</b>	336995	5.81	6.80	5.09
<b>Approved variable interest securities</b>	<b>41</b>	5062	25.86	0.56	0.56
<b>Other variable interest securities</b>	<b>51</b>	24013	8.16	5.05	4.82
<b>Total (11+21+39+41+51)</b>	<b>61</b>	503210	7.66	5.75	4.57



**Long-term insurance business: Fixed and variable interest assets**

**Form 49**

Printed 31/03/2009 10:00:44

Name of insurer **AXA Sun Life Plc**  
 Financial year ended **31st December 2008**  
 Category of assets **New With Profits Fund**  
 Units **£000**

		Value of assets	Mean term	Yield before adjustment	Yield after adjustment
		1	2	3	4
<b>UK government approved fixed interest securities</b>	<b>11</b>	473277	12.59	3.20	3.20
<b>Other approved fixed interest securities</b>	<b>21</b>	212758	8.87	4.11	3.85
<b>Other fixed interest securities</b>					
AAA/Aaa	31	123385	7.40	5.54	5.37
AA/Aa	32	244139	6.52	5.84	5.11
A/A	33	514133	9.39	8.75	6.91
BBB/Baa	34	154416	8.06	9.10	7.04
BB/Ba	35	3937	5.05	26.34	3.37
B/B	36	1277	4.66	37.74	3.76
CCC/Caa	37				
Other (including unrated)	38	502231	2.34	5.63	3.11
<b>Total other fixed interest securities</b>	<b>39</b>	1543518	6.34	7.12	5.27
<b>Approved variable interest securities</b>	<b>41</b>	25726	25.86	0.56	0.56
<b>Other variable interest securities</b>	<b>51</b>	120123	8.19	5.05	4.82
<b>Total (11+21+39+41+51)</b>	<b>61</b>	2375402	8.12	5.89	4.66

**Long-term insurance business: Fixed and variable interest assets**

**Form 49**

Printed 31/03/2009 10:00:44

Name of insurer **AXA Sun Life Plc**  
 Financial year ended **31st December 2008**  
 Category of assets **Non Profit Fund One**  
 Units **£000**

		Value of assets <b>1</b>	Mean term <b>2</b>	Yield before adjustment <b>3</b>	Yield after adjustment <b>4</b>
<b>UK government approved fixed interest securities</b>	<b>11</b>	31551	12.59	3.20	3.20
<b>Other approved fixed interest securities</b>	<b>21</b>	14162	8.87	4.11	3.85
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>	19278	7.42	5.57	5.39
AA/Aa	<b>32</b>	38243	6.55	5.85	5.12
A/A	<b>33</b>	82597	9.13	8.53	6.73
BBB/Baa	<b>34</b>	24222	8.09	9.10	7.04
BB/Ba	<b>35</b>	620	5.05	26.34	3.37
B/B	<b>36</b>	201	4.66	37.74	3.76
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>	275732	0.37	4.51	2.47
<b>Total other fixed interest securities</b>	<b>39</b>	440893	3.29	5.72	3.88
<b>Approved variable interest securities</b>	<b>41</b>	11451	25.86	0.56	0.56
<b>Other variable interest securities</b>	<b>51</b>				
<b>Total (11+21+39+41+51)</b>	<b>61</b>	498057	4.56	5.40	3.76

**Long-term insurance business: Fixed and variable interest assets**

**Form 49**

Printed 31/03/2009 10:00:45

Name of insurer **AXA Sun Life Plc**  
 Financial year ended **31st December 2008**  
 Category of assets **Non Profit Fund Two**  
 Units **£000**

		Value of assets <b>1</b>	Mean term <b>2</b>	Yield before adjustment <b>3</b>	Yield after adjustment <b>4</b>
<b>UK government approved fixed interest securities</b>	<b>11</b>	31552	12.59	3.20	3.20
<b>Other approved fixed interest securities</b>	<b>21</b>	13826	8.91	4.14	3.88
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>	26652	7.42	5.57	5.39
AA/Aa	<b>32</b>	52876	6.55	5.85	5.12
A/A	<b>33</b>	114187	9.13	8.53	6.73
BBB/Baa	<b>34</b>	38507	8.16	9.19	7.18
BB/Ba	<b>35</b>	858	5.05	26.34	3.37
B/B	<b>36</b>	278	4.66	37.74	3.76
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>	10338	0.23	29.78	3.00
<b>Total other fixed interest securities</b>	<b>39</b>	243696	7.83	8.73	6.13
<b>Approved variable interest securities</b>	<b>41</b>	794	25.86	0.56	0.56
<b>Other variable interest securities</b>	<b>51</b>				
<b>Total (11+21+39+41+51)</b>	<b>61</b>	289868	8.45	7.89	5.69

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

**Form 50**

Printed 31/03/2009 10:00:45

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Total Long-Term Insurance Business**  
 Financial year ended **31st December 2008**  
 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>	593414	300914	1580	895908	974580
Form 51 - non-profit	<b>12</b>	761339	1678988	9406	2449733	2159436
Form 52	<b>13</b>	1900024	2239179	142990	4282193	4800640
Form 53 - linked	<b>14</b>	11957784	13123991	26869	25108644	30281679
Form 53 - non-linked	<b>15</b>	46552	78985	124	125661	88828
Form 54 - linked	<b>16</b>	229158	104543	1940	335641	303949
Form 54 - non-linked	<b>17</b>	438	2534	2	2974	2738
<b>Total</b>	<b>18</b>	15488709	17529134	182911	33200754	38611850

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>	418			418	464
Form 51 - non-profit	<b>22</b>	281422			281422	165270
Form 52	<b>23</b>					
Form 53 – linked	<b>24</b>		100769		100769	148717
Form 53 - non-linked	<b>25</b>	862			862	864
Form 54 – linked	<b>26</b>	35631		324	35955	46475
Form 54 - non-linked	<b>27</b>					
<b>Total</b>	<b>28</b>	318333	100769	324	419426	361790

**Reinsurance - intra-group**

Form 51 - with-profits	<b>31</b>					
Form 51 - non-profit	<b>32</b>		1169441		1169441	1133794
Form 52	<b>33</b>					
Form 53 – linked	<b>34</b>		282073		282073	
Form 53 - non-linked	<b>35</b>	32	10		42	116
Form 54 – linked	<b>36</b>	483	89447		89930	86976
Form 54 - non-linked	<b>37</b>		2049		2049	1912
<b>Total</b>	<b>38</b>	515	1543020		1543535	1222798

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>	592996	300914	1580	895490	974116
Form 51 - non-profit	<b>42</b>	479917	509547	9406	998870	860372
Form 52	<b>43</b>	1900024	2239179	142990	4282193	4800640
Form 53 – linked	<b>44</b>	11957784	12741149	26869	24725802	30132962
Form 53 - non-linked	<b>45</b>	45658	78975	124	124757	87848
Form 54 – linked	<b>46</b>	193044	15096	1616	209756	170498
Form 54 - non-linked	<b>47</b>	438	485	2	925	826
<b>Total</b>	<b>48</b>	15169861	15885345	182587	31237793	37027262

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

**Form 50**

Printed 31/03/2009 10:00:45

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Old With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>	121939	59003	496	181438	185824
Form 51 - non-profit	<b>12</b>	15976	54923	87	70986	73080
Form 52	<b>13</b>	262877	401879	15516	680272	763286
Form 53 - linked	<b>14</b>					
Form 53 - non-linked	<b>15</b>					
Form 54 - linked	<b>16</b>		1786		1786	2978
Form 54 - non-linked	<b>17</b>		65		65	140
<b>Total</b>	<b>18</b>	400792	517656	16099	934547	1025308

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>	169			169	212
Form 51 - non-profit	<b>22</b>					
Form 52	<b>23</b>					
Form 53 - linked	<b>24</b>					
Form 53 - non-linked	<b>25</b>					
Form 54 - linked	<b>26</b>					
Form 54 - non-linked	<b>27</b>					
<b>Total</b>	<b>28</b>	169			169	212

**Reinsurance - intra-group**

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

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>	121770	59003	496	181269	185612
Form 51 - non-profit	<b>42</b>	15976	54923	87	70986	73080
Form 52	<b>43</b>	262877	401879	15516	680272	763286
Form 53 - linked	<b>44</b>					
Form 53 - non-linked	<b>45</b>					
Form 54 - linked	<b>46</b>		1786		1786	2978
Form 54 - non-linked	<b>47</b>		65		65	140
<b>Total</b>	<b>48</b>	400623	517656	16099	934378	1025096

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

**Form 50**

Printed 31/03/2009 10:00:46

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **New With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>	471475	241911	1084	714470	788756
Form 51 - non-profit	<b>12</b>	89382	414423	197	504002	436416
Form 52	<b>13</b>	1637147	1837300	127474	3601921	4037354
Form 53 - linked	<b>14</b>					
Form 53 - non-linked	<b>15</b>					
Form 54 - linked	<b>16</b>		13310		13310	12755
Form 54 - non-linked	<b>17</b>		420		420	394
<b>Total</b>	<b>18</b>	2198004	2507364	128755	4834123	5275675

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>	249			249	252
Form 51 - non-profit	<b>22</b>					
Form 52	<b>23</b>					
Form 53 - linked	<b>24</b>					
Form 53 - non-linked	<b>25</b>					
Form 54 - linked	<b>26</b>					
Form 54 - non-linked	<b>27</b>					
<b>Total</b>	<b>28</b>	249			249	252

**Reinsurance - intra-group**

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

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>	471226	241911	1084	714221	788504
Form 51 - non-profit	<b>42</b>	89382	414423	197	504002	436416
Form 52	<b>43</b>	1637147	1837300	127474	3601921	4037354
Form 53 - linked	<b>44</b>					
Form 53 - non-linked	<b>45</b>					
Form 54 - linked	<b>46</b>		13310		13310	12755
Form 54 - non-linked	<b>47</b>		420		420	394
<b>Total</b>	<b>48</b>	2197755	2507364	128755	4833874	5275423

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

**Form 50**

Printed 31/03/2009 10:00:46

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Non Profit Fund One**  
 Financial year ended **31st December 2008**  
 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>				
Form 51 - non-profit	<b>12</b>	434338		434338	229930
Form 52	<b>13</b>				
Form 53 - linked	<b>14</b>	11944642	25416	11970058	14578295
Form 53 - non-linked	<b>15</b>	42857	112	42969	13875
Form 54 - linked	<b>16</b>	55816		55816	245
Form 54 - non-linked	<b>17</b>	174		174	6
<b>Total</b>	<b>18</b>	12477827	25528	12503355	14822351

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>				
Form 51 - non-profit	<b>22</b>	212023		212023	83516
Form 52	<b>23</b>				
Form 53 - linked	<b>24</b>				
Form 53 - non-linked	<b>25</b>				
Form 54 - linked	<b>26</b>				
Form 54 - non-linked	<b>27</b>				
<b>Total</b>	<b>28</b>	212023		212023	83516

**Reinsurance - intra-group**

Form 51 - with-profits	<b>31</b>				
Form 51 - non-profit	<b>32</b>				
Form 52	<b>33</b>				
Form 53 - linked	<b>34</b>				
Form 53 - non-linked	<b>35</b>	32		32	58
Form 54 - linked	<b>36</b>				
Form 54 - non-linked	<b>37</b>				
<b>Total</b>	<b>38</b>	32		32	58

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>				
Form 51 - non-profit	<b>42</b>	222315		222315	146414
Form 52	<b>43</b>				
Form 53 - linked	<b>44</b>	11944642	25416	11970058	14578295
Form 53 - non-linked	<b>45</b>	42825	112	42937	13817
Form 54 - linked	<b>46</b>	55816		55816	245
Form 54 - non-linked	<b>47</b>	174		174	6
<b>Total</b>	<b>48</b>	12265772	25528	12291300	14738777

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

**Form 50**

Printed 31/03/2009 10:00:47

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Non Profit Fund Two**  
 Financial year ended **31st December 2008**  
 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>				
Form 51 - non-profit	<b>12</b>	221643	1209642	9122	1440407
Form 52	<b>13</b>				
Form 53 - linked	<b>14</b>	13142	13123991	1453	13138586
Form 53 - non-linked	<b>15</b>	3695	78985	12	82692
Form 54 - linked	<b>16</b>	173342	89447	1940	264729
Form 54 - non-linked	<b>17</b>	264	2049	2	2315
<b>Total</b>	<b>18</b>	412086	14504114	12529	14928729

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>				
Form 51 - non-profit	<b>22</b>	69399			69399
Form 52	<b>23</b>				
Form 53 - linked	<b>24</b>		100769		100769
Form 53 - non-linked	<b>25</b>	862			862
Form 54 - linked	<b>26</b>	35631		324	35955
Form 54 - non-linked	<b>27</b>				
<b>Total</b>	<b>28</b>	105892	100769	324	206985

**Reinsurance - intra-group**

Form 51 - with-profits	<b>31</b>				
Form 51 - non-profit	<b>32</b>		1169441		1169441
Form 52	<b>33</b>				
Form 53 - linked	<b>34</b>		282073		282073
Form 53 - non-linked	<b>35</b>		10		10
Form 54 - linked	<b>36</b>	483	89447		89930
Form 54 - non-linked	<b>37</b>		2049		2049
<b>Total</b>	<b>38</b>	483	1543020		1543503

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>				
Form 51 - non-profit	<b>42</b>	152244	40201	9122	201567
Form 52	<b>43</b>				
Form 53 - linked	<b>44</b>	13142	12741149	1453	12755744
Form 53 - non-linked	<b>45</b>	2833	78975	12	81820
Form 54 - linked	<b>46</b>	137228		1616	138844
Form 54 - non-linked	<b>47</b>	264		2	266
<b>Total</b>	<b>48</b>	305711	12860325	12205	13178241



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

**Form 51  
(Sheet 1)**

Printed 31/03/2009 10:00:47

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Old With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

**UK Life / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
100	Conventional whole life with-profits OB	766	11726	56	n/a	n/a	n/a	7275
120	Conventional endowment with-profits OB savings	31702	222736	20209	n/a	n/a	n/a	101764
125	Conventional endowment with-profits OB target cash	482	6611	114	n/a	n/a	n/a	8780
205	Miscellaneous conventional with-profits	9996	11064	1647	n/a	n/a	n/a	4120
300	Regular premium non-profit WL/EA OB	2017	102810	6896	n/a	n/a	n/a	14882
390	Deferred annuity non-profit	6	58		n/a	n/a	n/a	832
395	Annuity non-profit (PLA)	2	2		n/a	n/a	n/a	15
435	Miscellaneous non-profit	54	196		n/a	n/a	n/a	247

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

**Form 51  
(Sheet 2)**

Printed 31/03/2009 10:00:47

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Old With Profits Fund**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
100	Conventional whole life with-profits OB		216	2	n/a	n/a	n/a	169

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

**Form 51  
(Sheet 3)**

Printed 31/03/2009 10:00:47

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Old With Profits Fund**

Financial year ended **31st December 2008**

Units **£000**

**UK Pension / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
155	Conventional pensions endowment with-profits	2869	39110	66	n/a	n/a	n/a	58551
205	Miscellaneous conventional with-profits	39	501		n/a	n/a	n/a	452
390	Deferred annuity non-profit	11	20		n/a	n/a	n/a	274
400	Annuity non-profit (CPA)	1514	2146		n/a	n/a	n/a	32288
435	Miscellaneous non-profit	733	10073		n/a	n/a	n/a	22361

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

**Form 51  
(Sheet 4)**

Printed 31/03/2009 10:00:47

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Old With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

**Overseas / 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
100	Conventional whole life with-profits OB	10	341	3	n/a	n/a	n/a	244
120	Conventional endowment with-profits OB savings	8	110	1	n/a	n/a	n/a	88
125	Conventional endowment with-profits OB target cash	1	7		n/a	n/a	n/a	7
205	Miscellaneous conventional with-profits	5	128	2	n/a	n/a	n/a	157
395	Annuity non-profit (PLA)	1	8		n/a	n/a	n/a	87

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

**Form 51  
(Sheet 5)**

Printed 31/03/2009 10:00:47

Name of insurer **AXA Sun Life Plc**

Total business / subfund **New With Profits Fund**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
100	Conventional whole life with-profits OB	5108	62209	385	n/a	n/a	n/a	39696
120	Conventional endowment with-profits OB savings	205688	833140	75019	n/a	n/a	n/a	361278
125	Conventional endowment with-profits OB target cash	3337	43053	756	n/a	n/a	n/a	54033
205	Miscellaneous conventional with-profits	45311	41084	6278	n/a	n/a	n/a	16468
300	Regular premium non-profit WL/EA OB	358777	689733	47347	n/a	n/a	n/a	88676
390	Deferred annuity non-profit	1	24		n/a	n/a	n/a	395
395	Annuity non-profit (PLA)	5	11		n/a	n/a	n/a	126
435	Miscellaneous non-profit	24	91		n/a	n/a	n/a	185

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

**Form 51  
(Sheet 6)**

Printed 31/03/2009 10:00:47

Name of insurer **AXA Sun Life Plc**

Total business / subfund **New With Profits Fund**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
100	Conventional whole life with-profits OB		97		n/a	n/a	n/a	249

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

**Form 51  
(Sheet 7)**

Printed 31/03/2009 10:00:48

Name of insurer **AXA Sun Life Plc**

Total business / subfund **New With Profits Fund**

Financial year ended **31st December 2008**

Units **£000**

**UK Pension / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
155	Conventional pensions endowment with-profits	4906	157030	572	n/a	n/a	n/a	234219
205	Miscellaneous conventional with-profits	84	2830	16	n/a	n/a	n/a	7692
390	Deferred annuity non-profit	170	1167		n/a	n/a	n/a	15705
400	Annuity non-profit (CPA)	11063	23481		n/a	n/a	n/a	354804
435	Miscellaneous non-profit	619	20364		n/a	n/a	n/a	43914

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

**Form 51  
(Sheet 8)**

Printed 31/03/2009 10:00:48

Name of insurer **AXA Sun Life Plc**

Total business / subfund **New With Profits Fund**

Financial year ended **31st December 2008**

Units **£000**

**Overseas / 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
100	Conventional whole life with-profits OB	19	869	13	n/a	n/a	n/a	528
120	Conventional endowment with-profits OB savings	44	531	6	n/a	n/a	n/a	464
125	Conventional endowment with-profits OB target cash	1	28	1	n/a	n/a	n/a	27
205	Miscellaneous conventional with-profits	7	70	1	n/a	n/a	n/a	65
395	Annuity non-profit (PLA)	8	14		n/a	n/a	n/a	162
435	Miscellaneous non-profit	1	29		n/a	n/a	n/a	35



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

**Form 51  
(Sheet 9)**

Printed 31/03/2009 10:00:48

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Non Profit Fund One**  
 Financial year ended **31st December 2008**  
 Units **£000**

**UK Life / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
300	Regular premium non-profit WL/EA OB	369249	943522	57044	n/a	n/a	n/a	97777
325	Level term assurance	49915	6892488	15345	n/a	n/a	n/a	78105
330	Decreasing term assurance	38801	3353425	8783	n/a	n/a	n/a	43438
340	Accelerated critical illness (guaranteed premiums)	75139	6287107	34141	n/a	n/a	n/a	105893
345	Accelerated critical illness (reviewable premiums)	7474	738443	4226	n/a	n/a	n/a	20398
390	Deferred annuity non-profit	143	165		n/a	n/a	n/a	2172
395	Annuity non-profit (PLA)	977	9520		n/a	n/a	n/a	69420
435	Miscellaneous non-profit	171	1585020	86	n/a	n/a	n/a	8858
440	Additional reserves non-profit OB				n/a	n/a	n/a	8277

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

**Form 51  
(Sheet 10)**

Printed 31/03/2009 10:00:48

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund One**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Reinsurance ceded external**

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
300	Regular premium non-profit WL/EA OB		2477	30	n/a	n/a	n/a	551
325	Level term assurance		5814992	5153	n/a	n/a	n/a	70316
330	Decreasing term assurance		2441236	3284	n/a	n/a	n/a	33070
340	Accelerated critical illness (guaranteed premiums)		4892746	15548	n/a	n/a	n/a	102752
345	Accelerated critical illness (reviewable premiums)		574019	1773	n/a	n/a	n/a	16814
435	Miscellaneous non-profit		31		n/a	n/a	n/a	
440	Additional reserves non-profit OB				n/a	n/a	n/a	(11480)

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

**Form 51  
(Sheet 11)**

Printed 31/03/2009 10:00:48

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
300	Regular premium non-profit WL/EA OB	12	31		n/a	n/a	n/a	27
330	Decreasing term assurance		19	1	n/a	n/a	n/a	
350	Stand-alone critical illness (guaranteed premiums)	6417	449791	3021	n/a	n/a	n/a	572
355	Stand-alone critical illness (reviewable premiums)	1661	130958	819	n/a	n/a	n/a	1422
360	Income protection non-profit (guaranteed premiums)	7059	98921	3134	n/a	n/a	n/a	8852
365	Income protection non-profit (reviewable premiums)	3691	57224	1648	n/a	n/a	n/a	12479
370	Long-term care policy	5895	73217	3721	n/a	n/a	n/a	124854
385	Income protection claims in payment	55	710	26	n/a	n/a	n/a	2591
390	Deferred annuity non-profit	41	805		n/a	n/a	n/a	1756
395	Annuity non-profit (PLA)	735	14298		n/a	n/a	n/a	48895
435	Miscellaneous non-profit	22	285279		n/a	n/a	n/a	3082
440	Additional reserves non-profit OB				n/a	n/a	n/a	17113

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

**Form 51  
(Sheet 12)**

Printed 31/03/2009 10:00:48

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Reinsurance ceded external**

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
350	Stand-alone critical illness (guaranteed premiums)		346763	1755	n/a	n/a	n/a	554
355	Stand-alone critical illness (reviewable premiums)		100612	334	n/a	n/a	n/a	1008
360	Income protection non-profit (guaranteed premiums)		75479	1543	n/a	n/a	n/a	7303
365	Income protection non-profit (reviewable premiums)		40327	1039	n/a	n/a	n/a	8200
370	Long-term care policy		38259	2593	n/a	n/a	n/a	49717
385	Income protection claims in payment		490	17	n/a	n/a	n/a	1742
435	Miscellaneous non-profit		102		n/a	n/a	n/a	875

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

**Form 51  
(Sheet 13)**

Printed 31/03/2009 10:00:48

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**UK Pension / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
300	Regular premium non-profit WL/EA OB	168	266		n/a	n/a	n/a	331
315	Individual deposit administration non-profit		8021	134	n/a	n/a	n/a	8021
320	Group deposit administration non-profit		3		n/a	n/a	n/a	3
325	Level term assurance	627	26393	107	n/a	n/a	n/a	958
390	Deferred annuity non-profit	10964	7837	10	n/a	n/a	n/a	97993
400	Annuity non-profit (CPA)	75080	85011		n/a	n/a	n/a	1070550
435	Miscellaneous non-profit	596	20570	81	n/a	n/a	n/a	31689
440	Additional reserves non-profit OB				n/a	n/a	n/a	97

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

**Form 51  
(Sheet 14)**

Printed 31/03/2009 10:00:48

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**UK Pension / 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
390	Deferred annuity non-profit		7837	8	n/a	n/a	n/a	97513
400	Annuity non-profit (CPA)		84920		n/a	n/a	n/a	1070550
435	Miscellaneous non-profit		454		n/a	n/a	n/a	1378

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

**Form 51  
(Sheet 15)**

Printed 31/03/2009 10:00:49

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**Overseas / 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
300	Regular premium non-profit WL/EA OB	65	745	15	n/a	n/a	n/a	476
325	Level term assurance	6	1233	5	n/a	n/a	n/a	7
330	Decreasing term assurance	3	70		n/a	n/a	n/a	1
390	Deferred annuity non-profit	37	134	632	n/a	n/a	n/a	4118
395	Annuity non-profit (PLA)	127	368		n/a	n/a	n/a	4389
435	Miscellaneous non-profit		6891	37	n/a	n/a	n/a	131

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 1)**

Printed 31/03/2009 10:00:49

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Old With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

**UK Life / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
500	Life UWP single premium	3941	176392		171523	151431	12266	163697
505	Life UWP whole life regular premium	1515	207921	1127	2463	2463	57	2520
510	Life UWP endowment regular premium - savings	201	3943	296	3319	3319	17	3336
515	Life UWP endowment regular premium – target cash	8508	240721	4883	83166	83166	1517	84683
574	UWP investment only reinsurance		6880		6880	6880		6880
575	Miscellaneous UWP	427	1683		1667	1667	94	1761



**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 2)**

Printed 31/03/2009 10:00:49

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Old With Profits Fund**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
505	Life UWP whole life regular premium		9284	35				

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 3)**

Printed 31/03/2009 10:00:49

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Old With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

**UK Pension / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
525	Individual pensions UWP	13588	271671	3065	252412	252121	64607	316729
535	Group money purchase pensions UWP	1409	45942	1725	44276	44268	506	44774
555	Group deposit administration with-profits	2311	16734	56	16734	16733	2085	18818
570	Income drawdown UWP	16	9424		9424	9423	4	9427
571	Trustee investment plan UWP	74	11343	9	11343	11341	306	11647
575	Miscellaneous UWP	7	494	24	489	477	7	484

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 4)**

Printed 31/03/2009 10:00:49

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Old With Profits Fund**

Financial year ended **31st December 2008**

Units **£000**

**UK Pension / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
525	Individual pensions UWP		25					

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 5)**

Printed 31/03/2009 10:00:49

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Old With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

**Overseas / 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
500	Life UWP single premium	10	160		159	159		159
505	Life UWP whole life regular premium	15	4576	18	64	64	1	65
510	Life UWP endowment regular premium - savings	3	207	13	188	188		188
515	Life UWP endowment regular premium – target cash	48	1983	37	660	660	4	664
555	Group deposit administration with-profits	20	534		534	534	15	549
574	UWP investment only reinsurance		13891		13891	13891		13891

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 6)**

Printed 31/03/2009 10:00:49

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **New With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

**UK Life / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
500	Life UWP single premium	38322	1098068		1081064	997956	46970	1044926
505	Life UWP whole life regular premium	11275	1120792	7011	13269	13269	379	13648
510	Life UWP endowment regular premium - savings	1054	20315	1458	17944	17941	118	18059
515	Life UWP endowment regular premium – target cash	42499	1409496	31424	481927	481927	3828	485755
574	UWP investment only reinsurance		63302		63302	63302	110	63412
575	Miscellaneous UWP	6401	10912		10808	10808	539	11347

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 7)**

Printed 31/03/2009 10:00:50

Name of insurer **AXA Sun Life Plc**

Total business / subfund **New With Profits Fund**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
505	Life UWP whole life regular premium		19806	74				

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 8)**

Printed 31/03/2009 10:00:50

Name of insurer **AXA Sun Life Plc**

Total business / subfund **New With Profits Fund**

Financial year ended **31st December 2008**

Units **£000**

**UK Pension / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
525	Individual pensions UWP	44828	1250808	23051	1104817	1103833	260956	1364788
535	Group money purchase pensions UWP	8015	154517	9468	148161	148119	1498	149617
555	Group deposit administration with-profits	14375	243642	7235	243642	243641	24396	268037
570	Income drawdown UWP	144	32083		32083	32079	8	32087
571	Trustee investment plan UWP	180	21412	23	21412	21403	3	21406
575	Miscellaneous UWP	22	1468	66	1384	1362	3	1365

**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 9)**

Printed 31/03/2009 10:00:50

Name of insurer **AXA Sun Life Plc**

Total business / subfund **New With Profits Fund**

Financial year ended **31st December 2008**

Units **£000**

**UK Pension / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
525	Individual pensions UWP		53					



**Long-term insurance business: Valuation summary of accumulating with-profits contracts**

**Form 52  
(Sheet 10)**

Printed 31/03/2009 10:00:50

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **New With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

**Overseas / 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
500	Life UWP single premium	148	6346		6317	6217		6217
505	Life UWP whole life regular premium	213	35657	206	929	929	6	935
510	Life UWP endowment regular premium - savings	19	845	57	662	662	4	666
515	Life UWP endowment regular premium – target cash	202	13742	263	3550	3550	19	3569
555	Group deposit administration with-profits	538	19734	1130	19374	19374	1334	20708
574	UWP investment only reinsurance		95379		95379	95379		95379

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

**Form 53  
(Sheet 1)**

Printed 31/03/2009 10:00:50

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund One**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
700	Life property linked single premium	240874	11116097		11057348	10953146	(1707)	10951439
710	Life property linked whole life regular premium	138381	9898991	87438	579714	579714	6796	586510
715	Life property linked endowment regular premium - savings	7389	271504	17942	229545	229545	3704	233249
720	Life property linked endowment regular premium – target cash	9945	416578	14323	171393	171393	4374	175767
795	Miscellaneous property linked	15575	10940	9263	10844	10844	415	11259
800	Additional reserves property linked						29275	29275

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

**Form 53  
(Sheet 2)**

Printed 31/03/2009 10:00:50

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund One**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
710	Life property linked whole life regular premium		129662	658				

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

**Form 53  
(Sheet 3)**

Printed 31/03/2009 10:00:50

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund One**

Financial year ended **31st December 2008**

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
710	Life property linked whole life regular premium						28	28
715	Life property linked endowment regular premium - savings						4	4

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

**Form 53  
(Sheet 4)**

Printed 31/03/2009 10:00:50

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund One**

Financial year ended **31st December 2008**

Units **£000**

**Overseas / 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
700	Life property linked single premium	87	2912		2812	2812	2	2814
710	Life property linked whole life regular premium	1966	280476	2024	17603	17603	74	17677
715	Life property linked endowment regular premium - savings	144	4512	299	3877	3877	20	3897
720	Life property linked endowment regular premium – target cash	47	2588	58	727	727	2	729
795	Miscellaneous property linked	495	400	419	397	397	14	411

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

**Form 53  
(Sheet 5)**

Printed 31/03/2009 10:00:51

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
795	Miscellaneous property linked	590	6992		13142	13142	3695	16837

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

**Form 53  
(Sheet 6)**

Printed 31/03/2009 10:00:51

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
795	Miscellaneous property linked		3496				862	862

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

**Form 53  
(Sheet 7)**

Printed 31/03/2009 10:00:51

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Non Profit Fund Two**  
 Financial year ended **31st December 2008**  
 Units **£000**

**UK Pension / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
725	Individual pensions property linked	214956	7843318	263865	7860912	7761574	(6270)	7755304
735	Group money purchase pensions property linked	200387	2866896	630238	2855128	2840093	82867	2922960
750	Income drawdown property linked	8204	1046083		1044609	1044609	3243	1047852
755	Trustee investment plan	3716	380517	7804	630894	630521	(965)	629556
760	Small self administered schemes	502	181447	6135	180709	172011	108	172119
765	Group managed fund	148	672981	23460	672981	672981		672981
794	Property linked investment only reinsurance		937		2202	2202	(18)	2184
800	Additional reserves property linked						20	20



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

**Form 53  
(Sheet 8)**

Printed 31/03/2009 10:00:51

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**UK Pension / Reinsurance ceded external**

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
725	Individual pensions property linked		471	4				
735	Group money purchase pensions property linked				100769	100769		100769

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

**Form 53  
(Sheet 9)**

Printed 31/03/2009 10:00:51

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**UK Pension / 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
725	Individual pensions property linked						10	10
735	Group money purchase pensions property linked		70102		70102	70102		70102
755	Trustee investment plan		211971		211971	211971		211971

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

**Form 53  
(Sheet 10)**

Printed 31/03/2009 10:00:51

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**Overseas / 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
710	Life property linked whole life regular premium	4	126	1	126	126		126
715	Life property linked endowment regular premium - savings	5	113	1	113	113		113
735	Group money purchase pensions property linked	31	1214	120	1214	1214	12	1226

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

**Form 54  
(Sheet 1)**

Printed 31/03/2009 10:00:51

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Old With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
905	Index linked annuity	92	92		2233	1786	65	1851

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

**Form 54  
(Sheet 2)**

Printed 31/03/2009 10:00:51

Name of insurer **AXA Sun Life Plc**

Total business / subfund **New With Profits Fund**

Financial year ended **31st December 2008**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
905	Index linked annuity	535	639		16741	13310	420	13730

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

**Form 54  
(Sheet 3)**

Printed 31/03/2009 10:00:51

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund One**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
905	Index linked annuity	20	2916		69283	55816	174	55990

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

**Form 54  
(Sheet 4)**

Printed 31/03/2009 10:00:52

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
901	Index linked income protection claims in payment		5154		29531	27208		27208
905	Index linked annuity	236	5416		20947	19959	180	20138
910	Miscellaneous index linked	6857	385383	4663	155513	126175	84	126260

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

**Form 54  
(Sheet 5)**

Printed 31/03/2009 10:00:52

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
901	Index linked income protection claims in payment		1266		7383	6802		6802
910	Miscellaneous index linked		117751	1877	38336	28829		28829



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

**Form 54  
(Sheet 6)**

Printed 31/03/2009 10:00:52

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**UK Life / Reinsurance ceded intra-group**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
901	Index linked income protection claims in payment		106		530	483		483

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

**Form 54  
(Sheet 7)**

Printed 31/03/2009 10:00:52

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
905	Index linked annuity	3663	4953		104695	89447	2049	91496

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

**Form 54  
(Sheet 8)**

Printed 31/03/2009 10:00:52

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**UK Pension / Reinsurance ceded intra-group**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
905	Index linked annuity		4953		104695	89447	2049	91496

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

**Form 54  
(Sheet 9)**

Printed 31/03/2009 10:00:52

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**Overseas / Gross**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
901	Index linked income protection claims in payment		118		1080	967		967
905	Index linked annuity	3	36		776	646	2	648
910	Miscellaneous index linked	28	12881	21	328	327		327

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

**Form 54  
(Sheet 10)**

Printed 31/03/2009 10:00:52

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Non Profit Fund Two**

Financial year ended **31st December 2008**

Units **£000**

**Overseas / Reinsurance ceded external**

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
901	Index linked income protection claims in payment		29		270	242		242
910	Miscellaneous index linked		3299	6	82	82		82

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

**Form 55**

Printed 31/03/2009 10:00:53

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2008**

Units **£000**

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit mgmt charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
Individual Managed	12 - individual pension - balanced managed fund	3419180	Issue 23	1.00	26.2770	20.9790	(20.16)
Individual Property	17 - individual pension - property	529679	Issue 58	1.00	14.0480	11.2560	(19.87)
Individual Equity	15 - individual pension - UK equity	736457	Issue 23	1.00	47.2060	32.9280	(30.25)
Individual UK Bond	14 - individual pension - other managed fund	187735	Issue 23	1.00	11.6210	11.0070	(5.28)
Individual Cash	14 - individual pension - other managed fund	884828	Issue 23	1.00	7.5710	7.9360	4.82
Individual Global Equity	16 - individual pension - overseas equity	139325	Issue 23	1.00	12.8340	9.9810	(22.23)
Individual European	16 - individual pension - overseas equity	181028	Issue 23	1.00	7.0560	5.1200	(27.44)
Individual Retirement Distribution	14 - individual pension - other managed fund	2054335	Issue 23	1.00	4.3340	3.7350	(13.82)
Individual Higher Income	15 - individual pension - UK equity	241684	Issue 42	1.00	10.7430	7.7670	(27.70)
Individual Global Managed	11 - individual pension - stock market managed fund	125423	Issue 33	1.00	4.0390	3.0940	(23.40)
Individual Reserve	13 - individual pension - defensive managed fund	314792	Issue 65	1.00	1.5380	1.4440	(6.11)
Individual Retirement 2015	11 - individual pension - stock market managed fund	125461	Issue 65	1.00	1.2230	1.0050	(17.83)
Individual Retirement 2020	11 - individual pension - stock market managed fund	139015	Issue 65	1.00	1.2400	0.9200	(25.81)
Individual Retirement 2025	11 - individual pension - stock market managed fund	163915	Issue 65	1.00	1.2460	0.9250	(25.76)
Individual Retirement 2030	11 - individual pension - stock market managed fund	163535	Issue 65	1.00	1.2470	0.9250	(25.82)
Individual Retirement 2035	11 - individual pension - stock market managed fund	140971	Issue 65	1.00	1.2430	0.9220	(25.82)
Individual Retirement 2040	11 - individual pension - stock market managed fund	150543	Issue 65	1.00	1.2370	0.9190	(25.71)
Group Overseas Equity	26 - group managed fund - overseas equity	143771	Group Managed Fund	1.00	11.3640	9.0940	(19.98)
Group Mixed	22 - group managed fund - balanced managed fund	292747	Group Managed Fund	1.00	57.7790	46.2960	(19.87)
Group UK Equity	25 - group managed fund - UK equity	117339	Group Managed Fund	1.00	28.6560	20.5440	(28.31)
Managed	02 - life - balanced managed fund	835985	Issue 83	1.00	15.0660	12.2190	(18.90)
Property	07 - life - property	596583	Issue 87	1.00	1.4750	1.1190	(24.14)
Equity	05 - life - UK equity	104224	Issue 83	1.00	22.2380	15.5600	(30.03)
Cash	04 - life - other managed fund	273197	Issue 87	1.00	1.1590	1.2010	3.62
Distribution	04 - life - other managed fund	3932211	Issue 14	1.00	4.0410	3.3950	(15.99)
Deferred Distribution	04 - life - other managed fund	2914495	Issue 14	1.00	4.1100	3.6450	(11.31)
Higher Income	05 - life - UK equity	147004	Issue 83	1.00	30.3220	22.0870	(27.16)
Reserve	03 - life - defensive managed fund	688640	Issue 87	1.00	1.2190	1.0940	(10.25)
Higher Yield Distribution	04 - life - other managed fund	677772	Issue 87	1.00	0.9900	0.7620	(23.03)
Active Protector 80	04 - life - other managed fund	186743	Issue 87	1.00	1.3170	1.1490	(12.76)

**Long-term insurance business: index linked business**

**Form 56**

Printed 31/03/2009 10:00:53

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2008**

Units **£000**

		<b>Value of assets</b>	<b>Mean term</b>
		<b>1</b>	<b>2</b>
<b>Analysis of assets</b>			
Approved variable interest securities	<b>11</b>	165225	8.72
Other variable interest securities	<b>12</b>	44532	11.60
Approved fixed interest securities	<b>13</b>		
Other fixed interest securities	<b>14</b>		
Cash and deposits	<b>15</b>		
Equity index derivatives	<b>16</b>		
Inflation swaps	<b>17</b>		
Other assets	<b>18</b>		
Variation margin	<b>19</b>		
<b>Total (11 to 19)</b>	<b>20</b>	209757	
<b>Credit rating of other fixed interest and other variable interest securities</b>			
AAA/Aaa	<b>31</b>		
AA/Aa	<b>32</b>		
A/A	<b>33</b>		
BBB/Baa	<b>34</b>		
BB/Ba	<b>35</b>		
B/B	<b>36</b>		
CCC/Caa	<b>37</b>		
Other (including unrated)	<b>38</b>		
<b>Total other fixed interest and other variable interest securities</b>	<b>39</b>		

**Long-term insurance business - analysis of valuation interest rate**

**Form 57  
(Sheet 1)**

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Old With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

Printed 31/03/2009 10:00:53

Product Group <b>1</b>	Net mathematical reserves <b>2</b>	Net valuation interest rate <b>3</b>	Gross valuation interest rate <b>4</b>	Risk adjusted yield on matching assets <b>5</b>
UK PBF NP(WP) (Form 51)	54924		4.50	4.81
UK Life WP (Form 51)	126379	3.00		5.06
UK PBF WP (Form 51)	59003		4.00	5.06
UK Life WP (Form 52)	262878	3.00		5.06
UK PBF WP (Form 52)	162641		3.00	5.06
UK PBF WP (Form 52) Guarenteed 4%	240362		4.00	5.06
Miscellaneous	32437			4.84
<b>TOTAL</b>	<b>938624</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>



**Long-term insurance business - analysis of valuation interest rate**

**Form 57  
(Sheet 2)**

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **New With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

Printed 31/03/2009 10:00:53

Product Group <b>1</b>	Net mathematical reserves <b>2</b>	Net valuation interest rate <b>3</b>	Gross valuation interest rate <b>4</b>	Risk adjusted yield on matching assets <b>5</b>
UK PBF NP(WP) (Form 51)	414423		4.50	4.81
UK Life WP (Form 51)	489273	3.00		5.06
UK PBF WP (Form 51)	241911		4.00	5.06
UK Life WP (Form 52)	1637146	3.00		5.06
UK PBF WP (Form 52)	911988		3.00	5.06
UK PBF WP (Form 52) Guarenteed 4%	931567		4.00	5.06
Miscellaneous	218997			4.84
<b>TOTAL</b>	<b>4845305</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

**Long-term insurance business - analysis of valuation interest rate**

**Form 57  
(Sheet 3)**

Name of insurer **AXA Sun Life Plc**

Printed 31/03/2009 10:00:53

Total business / subfund **Non Profit Fund One**

Financial year ended **31st December 2008**

Units **£000**

Product Group <b>1</b>	Net mathematical reserves <b>2</b>	Net valuation interest rate <b>3</b>	Gross valuation interest rate <b>4</b>	Risk adjusted yield on matching assets <b>5</b>
UK Life NP (Form 51) Additional Reserves	19757	2.60		4.64
UK Life NP (Form 51) SLAS GAF Transfer	59399		2.95	4.48
UK Life NP (Form 51)	121212	3.00		5.09
UK Life NP (Form 51) GAF	12193		3.75	5.09
UK Life NP (Form 53)	42825	2.60		4.64
Miscellaneous	10039			3.37
<b>TOTAL</b>	<b>265425</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

**Long-term insurance business - analysis of valuation interest rate**

**Form 57  
(Sheet 4)**

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Non Profit Fund Two**  
 Financial year ended **31st December 2008**  
 Units **£000**

Printed 31/03/2009 10:00:53

Product Group <b>1</b>	Net mathematical reserves <b>2</b>	Net valuation interest rate <b>3</b>	Gross valuation interest rate <b>4</b>	Risk adjusted yield on matching assets <b>5</b>
UK Life NP (Form 51) Additional Reserves	17113	2.60		5.40
UK Life NP (Form 51)	50678	3.00		5.67
UK Life NP (Form 51) PHI	83290		5.40	5.41
UK PBF NP (Form 51)	31789		3.75	5.67
UK PBF NP (Form 53)	78955		3.75	5.67
Miscellaneous	21829			4.45
<b>TOTAL</b>	<b>283654</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

**Long-term insurance business: distribution of surplus**

**Form 58**

Printed 31/03/2009 10:00:54

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Total Long-Term Insurance Business**  
 Financial year ended **31st December 2008**  
 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	31868578	37055047
Bonus payments in anticipation of a surplus	<b>12</b>	244111	239834
Transfer to non-technical account	<b>13</b>	96864	29736
Transfer to other funds / parts of funds	<b>14</b>		
Subtotal (11 to 14)	<b>15</b>	32209553	37324617
Mathematical reserves	<b>21</b>	31237793	37027262
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	971760	297355

**Composition of surplus**

Balance brought forward	<b>31</b>		(106239)
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>		
Surplus arising since the last valuation	<b>34</b>	971760	403594
Total	<b>39</b>	971760	297355

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>	244111	239834
Cash bonuses	<b>42</b>	14	45
Reversionary bonuses	<b>43</b>	30771	27740
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>	274896	267619
Net transfer out of fund / part of fund	<b>47</b>	96864	29736
Total distributed surplus (46+47)	<b>48</b>	371760	297355
Surplus carried forward	<b>49</b>	600000	
Total (48+49)	<b>59</b>	971760	297355

**Percentage of distributed surplus allocated to policyholders**

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

**Long-term insurance business: distribution of surplus**

**Form 58**

Printed 31/03/2009 10:00:54

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Old With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	940410	1030284
Bonus payments in anticipation of a surplus	<b>12</b>	64391	28198
Transfer to non-technical account	<b>13</b>	7825	3710
Transfer to other funds / parts of funds	<b>14</b>		
Subtotal (11 to 14)	<b>15</b>	1012626	1062192
Mathematical reserves	<b>21</b>	934378	1025096
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	78248	37096

**Composition of surplus**

Balance brought forward	<b>31</b>		
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>		
Surplus arising since the last valuation	<b>34</b>	78248	37096
Total	<b>39</b>	78248	37096

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>	64391	28198
Cash bonuses	<b>42</b>		
Reversionary bonuses	<b>43</b>	6032	5188
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>	70423	33386
Net transfer out of fund / part of fund	<b>47</b>	7825	3710
Total distributed surplus (46+47)	<b>48</b>	78248	37096
Surplus carried forward	<b>49</b>		
Total (48+49)	<b>59</b>	78248	37096

**Percentage of distributed surplus allocated to policyholders**

Current year	<b>61</b>	90.00	90.00
Current year - 1	<b>62</b>	90.00	90.00
Current year - 2	<b>63</b>	90.00	90.00
Current year - 3	<b>64</b>	90.00	90.00

**Long-term insurance business: distribution of surplus**

**Form 58**

Printed 31/03/2009 10:00:54

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **New With Profits Fund**  
 Financial year ended **31st December 2008**  
 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	4858627	5298020
Bonus payments in anticipation of a surplus	<b>12</b>	179720	211636
Transfer to non-technical account	<b>13</b>	22719	26026
Transfer to other funds / parts of funds	<b>14</b>		
Subtotal (11 to 14)	<b>15</b>	5061066	5535682
Mathematical reserves	<b>21</b>	4833874	5275423
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	227192	260259

**Composition of surplus**

Balance brought forward	<b>31</b>		
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>		
Surplus arising since the last valuation	<b>34</b>	227192	260259
Total	<b>39</b>	227192	260259

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>	179720	211636
Cash bonuses	<b>42</b>	14	45
Reversionary bonuses	<b>43</b>	24739	22552
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>	204473	234233
Net transfer out of fund / part of fund	<b>47</b>	22719	26026
Total distributed surplus (46+47)	<b>48</b>	227192	260259
Surplus carried forward	<b>49</b>		
Total (48+49)	<b>59</b>	227192	260259

**Percentage of distributed surplus allocated to policyholders**

Current year	<b>61</b>	90.00	90.00
Current year - 1	<b>62</b>	90.00	90.00
Current year - 2	<b>63</b>	90.00	90.00
Current year - 3	<b>64</b>	90.00	90.00

**Long-term insurance business: distribution of surplus**

**Form 58**

Printed 31/03/2009 10:00:55

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Non Profit Fund One**  
 Financial year ended **31st December 2008**  
 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	12891300	14738777
Bonus payments in anticipation of a surplus	<b>12</b>		
Transfer to non-technical account	<b>13</b>	41330	
Transfer to other funds / parts of funds	<b>14</b>		
Subtotal (11 to 14)	<b>15</b>	12932630	14738777
Mathematical reserves	<b>21</b>	12291300	14738777
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	641330	

**Composition of surplus**

Balance brought forward	<b>31</b>		
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>		
Surplus arising since the last valuation	<b>34</b>	641330	
Total	<b>39</b>	641330	

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>		
Cash bonuses	<b>42</b>		
Reversionary bonuses	<b>43</b>		
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>		
Net transfer out of fund / part of fund	<b>47</b>	41330	
Total distributed surplus (46+47)	<b>48</b>	41330	
Surplus carried forward	<b>49</b>	600000	
Total (48+49)	<b>59</b>	641330	

**Percentage of distributed surplus allocated to policyholders**

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

**Long-term insurance business: distribution of surplus**

**Form 58**

Printed 31/03/2009 10:00:55

Name of insurer **AXA Sun Life Plc**  
 Total business / subfund **Non Profit Fund Two**  
 Financial year ended **31st December 2008**  
 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	13178241	15987966
Bonus payments in anticipation of a surplus	<b>12</b>		
Transfer to non-technical account	<b>13</b>	24990	
Transfer to other funds / parts of funds	<b>14</b>		
Subtotal (11 to 14)	<b>15</b>	13203231	15987966
Mathematical reserves	<b>21</b>	13178241	15987966
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	24990	

**Composition of surplus**

Balance brought forward	<b>31</b>		(106239)
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>		
Surplus arising since the last valuation	<b>34</b>	24990	106239
Total	<b>39</b>	24990	

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>		
Cash bonuses	<b>42</b>		
Reversionary bonuses	<b>43</b>		
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>		
Net transfer out of fund / part of fund	<b>47</b>	24990	
Total distributed surplus (46+47)	<b>48</b>	24990	
Surplus carried forward	<b>49</b>		
Total (48+49)	<b>59</b>	24990	

**Percentage of distributed surplus allocated to policyholders**

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



**Long-term insurance business: With-profits payouts on maturity (normal retirement)**

**Form 59A**

Printed 31/03/2009 10:00:55

Name of insurer **AXA Sun Life Plc**

Original insurer **AXA Sun Life plc.**

Date of maturity value/open market option

Category of with-profits policy	Original term (years)	Maturity value / open market option	Terminal bonus	MVA	CWP / UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	25	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	5	15409	2568		UWP	N	15409
Regular premium pension	10	30096	5016		UWP	N	30096
Regular premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	20	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	13507	2252		UWP	N	13507
Single premium pension	10	17541	2924		UWP	N	17541
Single premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	20	n/a	n/a	n/a	n/a	n/a	n/a

**Long-term insurance business: With-profits payouts on maturity (normal retirement)**

**Form 59A**

Printed 31/03/2009 10:00:56

Name of insurer **AXA Sun Life Plc**

Original insurer **AXA Equity & Law**

Date of maturity value/open market option

Category of with-profits policy	Original term (years)	Maturity value / open market option	Terminal bonus	MVA	CWP / UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	12230	2055		UWP	N	12230
Endowment assurance	20	21393	4279		UWP	N	21393
Endowment assurance	25	33899	3082		CWP	N	33899
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	15	52859	10093		UWP	N	52859
Regular premium pension	20	87162	7924		UWP	N	87162
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	15	22778	4349		UWP	N	22778
Single premium pension	20	37425	3402		UWP	N	37425

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

**Form 59B**

Printed 31/03/2009 10:00:56

Name of insurer **AXA Sun Life Plc**

Original insurer **AXA Sun Life plc.**

Date of surrender value

Category of with-profits policy	Duration at surrender (years)	Surrender value	Terminal bonus	MVA	CWP/UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	5147			UWP	Y	11250
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	10199			UWP	Y	10199
With-profits bond	5	10892			UWP	Y	10892
With-profits bond	10	10870		2718	UWP	Y	13588
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	10872			UWP	Y	10872
Single premium pension	5	11256			UWP	Y	11256
Single premium pension	10	14618			UWP	Y	14618

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

**Form 59B**

Printed 31/03/2009 10:00:56

Name of insurer **AXA Sun Life Plc**  
 Original insurer **AXA Equity & Law**  
 Date of surrender value

Category of with-profits policy	Duration at surrender (years)	Surrender value	Terminal bonus	MVA	CWP/UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	9605			UWP	Y	11250
Endowment assurance	20	18424			UWP	Y	11250
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	5	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	2	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	3	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a

**Long-term insurance capital requirement**
**Form 60**

Printed 31/03/2009 10:00:57

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2008**

 Units **£000**

	LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year
	1	2	3	4	5	6

**Insurance death risk capital component**

Life protection reinsurance	11	0.0%	6772	6772		
Classes I (other), II and IX	12	0.1%	46035	19417	0.50	23
Classes I (other), II and IX	13	0.15%	1255143	152953		941
Classes I (other), II and IX	14	0.3%	21353651	8934537		32030
Classes III, VII and VIII	15	0.3%	10966223	10836132	0.99	32508
<b>Total</b>	<b>16</b>		<b>33627824</b>	<b>19949811</b>		<b>65503</b>

**Insurance health risk and life protection reinsurance capital component**

Class IV, supplementary classes 1 and 2 and life protection reinsurance	21					4467
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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%	6845956	6633992	0.97	66340
Classes III, VII and VIII (investment risk)	33	1%	956400	955496	1.00	9555
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%	1164134	1164134	1.00	11641
Classes III, VII and VIII (other)	35	25%				22176
Class IV (other)	36	1%	338832	232693	0.85	2880
Class V	37	1%				
Class VI	38	1%				
<b>Total</b>	<b>39</b>					<b>112593</b>

**Insurance market risk capital component**

Life protection and permanent health reinsurance	41	0%	118	118		
Classes I (other), II and IX	42	3%	6845956	6633992	0.97	199020
Classes III, VII and VIII (investment risk)	43	3%	956400	955496	1.00	28665
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%	1164134	1164134		
Classes III, VII and VIII (other)	45	0%	23926089	23543248		
Class IV (other)	46	3%	338832	232693	0.85	8640
Class V	47	0%				
Class VI	48	3%				
<b>Total</b>	<b>49</b>		<b>33231530</b>	<b>32529681</b>		<b>236325</b>

<b>Long term insurance capital requirement</b>	<b>51</b>					<b>418888</b>
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Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2008**

## **NOTES TO THE RETURN**

### **\*0201\* - Directions modifying the Accounts and Statements Rules**

The Financial Services Authority (FSA), on application of the firm, made a direction effective November 2007 under section 148 of the Financial Services and Markets Act 2000 (the Act). The effect of this direction is stated in notes 1322 and 1901.

The FSA, on application of the firm, made a direction in October 2008 under section 148 of the Act. The effect of the direction was to allow the firm to:

- (i) take full credit when calculating its mathematical reserves in accordance with INSPRU 1.2 for its reinsurance with the intra-group Insurance Special Purpose Vehicle (ISPV), AXA Annuity Company Limited, in respect of the In-Force Intra-Group Reassurance Agreement dated 18 December 2007 (as amended), the New Business Intra-Group Reassurance Agreement dated 18 December 2007 (as amended) and, from the date on which it takes effect, the further In-Force Intra-Group Reassurance; and
- (ii) to allow the reinsurance debts owed to the firm by the ISPV to be admissible.

### **\*0204\* - Interfund Transfer**

The Scheme governing the financial reorganisation of AXA Sun Life in 2001 (the "Scheme") details arrangements under which assets from the inherited estate, attributed to AXA through the reorganisation, may be transferred on a temporary, or permanent, basis to the With Profits Funds as required to support the capital requirements of these funds, as determined under the Scheme.

In the case of a temporary transfer, assets and related investment income remain attributable to AXA as they will be returned when they are no longer required to support the capital requirements of the With Profits Funds, under the stringent tests set out in the Scheme.

If all or part of the assets transferred are unlikely to be returned in the foreseeable future (taking into consideration the duration of the in force With-Profit policies), then the relevant part of the transfer would be designated permanent.

Only a permanent transfer to the With Profits Funds would result in a charge against the profit and loss account.

The maximum amount that could be transferred under the Scheme is capped at the market value of relevant surplus assets in the Non Profit Funds, which is estimated to be £846m as at 31 December 2008.

As at 31 December 2008 the transfer to the With Profits Funds has a value of £nil. Under the rules of the Scheme an annual test ("the Test") must be performed at least once in a 12 month period and may result in an additional transfer. The completion of the Test, based on an effective date of 1 January 2009, may lead to a transfer, although it is not practicable at this time to quantify the size of any possible transfer. Any such transfer is not expected to be permanent.

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2008**

## NOTES TO THE RETURN

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

	<b>2008</b>	2007
	<b>£000</b>	£000
Grand total of admissible assets after deduction of market risk and counterparty limits – other than long term business	<b>185,493</b>	38,725
Grand total of admissible assets after deduction of market risk and counterparty limits – long term business	<b>33,952,334</b>	41,478,955
Mathematical reserves, after distribution of surplus	<b>(31,268,564)</b>	(37,055,002)
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>(14)</b>	(45)
Total other insurance and non-insurance liabilities	<b>(721,211)</b>	(959,167)
Total liabilities – other than long term business	<b>(133,160)</b>	(126,796)
Total capital resources after deductions	<b>2,014,878</b>	3,376,670

### **\*0306\* - Reinsurance arrangement contributing to Form 3 Line 92**

Sun Life Assurance Society plc (SLAS) has provided new business financing in respect of business reinsured from SLAS to the Company. Although the financing is in connection with reinsurance accepted, with the agreement of the FSA the relevant amount, reflecting the financing element of this arrangement, has been shown in line 92 (Financial Reinsurance – ceded) for clarity.

As at the valuation date:

- No allowance is made for this arrangement in the mathematical reserves at the valuation date as repayments are contingent on future profits of the Company. Thus the reinsurance offset (i.e. the amount of the difference between the mathematical reserves at the valuation date were this arrangement to be ignored and the amount of the mathematical reserves after deducting the reserves reinsured) was zero.
- The amount of the Company's contingent liability under this arrangement at the valuation date was £94.0m.
- There is no formal provision to terminate this agreement for existing business, so there is no commutation value.

### **\*0308\* - Contingent loan contributing to Form 3 Line 94**

The Company has an outstanding contingent loan provided by AXA Sun Life Holdings plc (ASLH), to be repaid out of surpluses emerging on business transferred in from Sun Life Unit Assurance Limited (SLUA), Sun Life Pensions Management Limited (SLPM) and PPP lifetime care plc (PPP) (Notes 1603 and 4004). This arrangement is reported in line 94 (Outstanding contingent loans). As at the valuation date the amount still to be repaid was £184.5m. The commutation value (the amount payable to ASLH to terminate the arrangement) was the same amount.

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2008**

## **NOTES TO THE RETURN**

### **\*0310\* - Valuation differences**

The amounts included at line 14 on Form 3 are as follows:

	<b>2008</b>	2007
	<b>£000</b>	£000
Difference between mathematical and realistic reserves	<b>741,957</b>	1,561,286
Differences arising on the valuation of provisions, deferred income and reserves arising from the implementation of FRS 26	<b>233,576</b>	260,077
Amount due under reinsurance contract with SLAS (Note 0306)	<b>94,024</b>	105,447
Contingent loan (Note 0308)	<b>184,457</b>	300,000
Valuation differences on liabilities (Note 1405)	<b>1,254,014</b>	2,226,810
Valuation difference on AXA Asia Pacific Holding NPV	<b>(29,803)</b>	-
	<b>1,224,211</b>	2,226,810

The reduction in the valuation of equity holding in AXA Asia Pacific Holdings NPV reflects the amount recoverable under terms of an agreement giving pre-emptive rights to AXA SA.

### **\*0313\* - Reconciliation of profit and loss account and other reserves to profit or loss retained**

	<b>2008</b>	2007
	<b>£000</b>	£000
Profit and loss account and other reserves brought forward	<b>2,524,930</b>	1,726,070
Profit retained for the financial year	<b>111,574</b>	712,888
Profits recognised in the statutory accounts under the modified statutory basis retained in the long term fund for FSA reporting	-	86,953
Surplus arising in the long term fund transferred to other than long term fund for FSA reporting	<b>(93,947)</b>	-
Goodwill amortisation	-	(981)
Profit and loss account and other reserves carried forward	<b>2,542,557</b>	2,524,930

Profits retained for the year include £66.3m transferred in from the long term fund on 31 December 2008. This comprises assets which have been treated as in excess of counterparty limits in the other than long term fund.



Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2008**

## **NOTES TO THE RETURN**

### **\*1104\* - Description of any amounts that are discounted**

Provisions held in line 51 are discounted where they are in respect of claims in payment that are calculated using annuity factors.

### **\*1301\***

**&**

### **\*1308\* - Aggregate value of assets**

	<b>2008</b>	2007
	<b>£000</b>	£000
The aggregate value of:-		
(i) Unlisted investments	<b>311,903</b>	355,552
(ii) Investments which are not readily realisable	<b>15,140</b>	13,471
(iii) Units in collective investment schemes that are not schemes falling within the UCITS Directive	<b>78,097</b>	1,602

### **\*1304\***

**&**

### **\*1310\*- Amounts set off**

Certain amounts shown in Form 13 have been set off to the extent permitted by generally accepted accounting principles.

### **\*1305\***

**&**

### **\*1319\* - Maximum counterparty limits**

Under the Insurer's Investment Guidelines, the maximum exposure of unit linked funds ('funds') to a single counterparty for cash is 1% of the market value of that fund or £5m if greater for counterparties rated AA- or better and 0.5% of the market value of that fund or £2.5m if greater for counterparties rated A+/A/A-.

Funds investing mainly or wholly in cash have a limit of 10% of the market value of the fund (or £5m if greater or the maximum amount within regulatory counterparty limits if this is less than £5m) if the counterparty is rated AA- or higher and 5% of the market value of the fund (or £2.5m if greater or the maximum amount within regulatory counterparty limits if this is less than £2.5m) if counterparty is rated A+/A/A-.

The maximum risk adjusted exposure of any fund to a single counterparty arising from derivative activity is limited to 0.5% of the market value of the fund.

Limits for all other investment types are a percentage of the fund. If any counterparty limits are greater than allowed under the 'permitted links' rules then the latter must apply.

In respect of the non unit linked funds ('portfolios'), the maximum exposure of individual portfolios to a single counterparty for cash and fixed income securities depends on the rating of the counterparty. The maximum exposure is calculated by multiplying the relevant rating limit expressed as a percentage by the portfolio base.

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2008**

## NOTES TO THE RETURN

The relevant rating limits expressed as a percentage are as follows:

<b>AXA RATING</b>	<b>Corporate</b>	<b>Supra National and Government Related</b>	<b>Non Domestic Sovereign</b>	<b>Domestic Sovereign</b>
AAA	4.0%	No Limit	No Limit	No Limit
AA+	3.3%			
AA	3.0%			
AA-	2.5%			
A+	2.0%	2.0%	2.0%	
A	1.6%	1.6%	1.6%	
A-	1.2%	1.2%	1.2%	
BBB+	1.0%	1.0%	1.0%	
BBB	0.7%	0.7%	0.7%	
BBB-	0.4%	0.4%	0.4%	
BB+	0.2%			
BB	0.1%			
BB-	0.05%			
Below BB-	0.05%			

The portfolio base is the total fixed income (excluding private loans) and cash portfolio for sovereign issuers and the greater of the cash and corporate bonds portfolio (excluding mortgage backed securities) or 50% of the total fixed income and cash portfolio for corporate and supranational issuers.

Limits set out in the Financial Services Authority Handbook must also be applied.

A 4.5% FTSE All Share capped benchmark ('benchmark') is adopted for equities. Within a single portfolio the UK equity concentration limit for the largest 250 FTSE stocks is set at 1.5% above benchmark (2% for investments managed by AXA Rosenberg) and is subject to an absolute maximum of 6%. The limit for other FTSE All Share stocks is set at 1% above benchmark (2% for investments managed by AXA Rosenberg) and is subject to an absolute maximum of 5.5%. For overseas equities the equity concentration limit is set at 1.5% above benchmark.

Limits are also imposed at a group level. The maximum permitted aggregate holding across all relevant portfolios of UK equity must not exceed 10% of the free float market capitalisation ('free float') and for overseas equity must not exceed 4% of total market capitalisation. The maximum permitted exposure in respect of UK equities for the With Profits portfolios is 7% of the free float.

For portfolios managed by the Investment Manager, Alliance Capital, the equity concentration limit has been set so that the absolute holding must not be more than 5% above benchmark. For portfolios managed by the Investment Manager, AXA Rosenberg, the maximum aggregate holding across the portfolio must not exceed more than 1.5% of the free float.

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2008**

## **NOTES TO THE RETURN**

The maximum risk adjusted exposure to a single counterparty arising from either of derivative and securities lending activity is limited to 1% of the market value of each of the individual portfolios within the Company but subject to an overall limit of 0.5% of the market value of the sum of all the individual portfolios within the Company.

During 2008 the maximum permitted aggregate holding across all the relevant portfolios of UK equity exceeded the limit of 10% of the free float in respect of three counterparties.

Portfolios within this Company held investments with two of these counterparties when the limits were breached. Approximately 26% of the aggregate holding with one of these counterparties, across all relevant portfolios of UK equity, was held by the Company. The maximum aggregate holding with this counterparty was 0.97% of the total equity portfolio. The fund manager has been instructed to sell the relevant investments when feasible in order to resolve the breach.

The other counterparty is in liquidation and the Company held approximately 39% of the aggregate holding across all relevant portfolios of UK equity.

Breaches in respect of cash and fixed income are monitored at a total UK group level. During the year the maximum exposure limits to a single counterparty for fixed income were breached in respect of seven counterparties for portfolios within the Company. The breaches occurred due to the ratings downgrade of several debt instruments during the year. All breaches were dealt with by selling the relevant investments and there were no breaches outstanding as at 31 December 2008.

**\*1306\***

**&**

**\*1312\*- Exposure at year end to large counterparties**

At the year end, there were no exposures in excess of 5% of the sum of the Insurer's base capital resources requirement and Insurer's long term insurance liabilities, excluding property linked liabilities and net of reinsurance ceded after assets in excess of counter party limits have been deducted.

**\*1309\* - Aggregate value of hybrid securities**

The aggregate value of hybrid securities included at line 46 and 48 is £613.1m (2007: £1,324.0m).

**\*1313\* - Aggregate value of certain fully secured rights**

The aggregate value of fully secured rights on 31 December 2008 was £279.7m (2007: £1,588.8m).

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2008**

## **NOTES TO THE RETURN**

### **\*1318\* - Other asset adjustments**

The amounts included at line 101 on Form 13 are as follows:

	<b>Long Term</b>	
	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>
Gross up of liabilities within the internal linked funds	<b>(110,449)</b>	(211,096)
Other gross ups	<b>(282,654)</b>	(27,693)
	<b>(393,103)</b>	(238,789)

### **\*1321\* - Allocation of Assets**

The allocation of assets between subfunds is notional in accordance with the Scheme Document approved by the High Court in December 2000 and is carried out in respect of groups of assets and not in respect of each individual asset. In general, items of current assets and current liabilities are apportioned across the subfunds rather than being allocated to the subfund in which a transaction first gave rise to the asset or liability. However, the allocations are carried out by a method which preserves the correct total value of the net assets of each subfund.

### **\*1322\* - Direction modifying the Accounts and Statement Rules**

The FSA issued to the firm, effective November 2007, a direction under section 148 of the Act. The effect of the direction is to allow the firm to include assets available to support the New With-Profits Funds in its realistic balance sheet (at line 27 of Form 19), in accordance with the firm's Reorganisation Scheme. Those assets are comprised of £846m which is included at line 89 of this form for Non Profit Fund One and £196m which is included at line 92 of this form for Non Profit Fund One and Non Profit Fund Two, from which is made a deduction of the tax on shareholders' share of future bonuses payable from the New With Profits Fund.

### **\*1401\***

**&**

### **\*1501\*- Provision for reasonably foreseeable adverse variations**

The Insurer identified and reviewed all assets which are valued by marking to model, which are subject to restrictions or agreements relating to transactions or which could potentially be subject to less liquid positions. It was determined, following consultation with the investment managers, that none of these assets required an adjustment pursuant to GENPRU 1.3.30R to GENPRU 1.3.33R.

The Insurer reviewed its investments to identify whether any provisions were required pursuant to INSPRU 3.2.17R and INSPRU 3.2.18R. It was determined that in each case, sufficient cover is held and no such provisions were required.

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2008**

## **NOTES TO THE RETURN**

**\*1402\***

**&**

**\*1502\* - Long Term and other than long term business assets / liabilities**

a) Charges on assets

No charge has been made on the assets of the Insurer to secure the liabilities of any other person.

b) Provision for capital gains tax

Due to recent market conditions, a capital gains tax liability of £nil would arise if the Insurer was to dispose of all its assets (2007: £115m).

c) Contingent liabilities

On 27 December 2007 the Company issued £300m of contingent loan notes at 5.7%, which were purchased by ASLH (Note 0308). The repayment and interest is contingent on profits arising on the business transferred under the Part VII scheme from SLUA, SLPM and PPP from 1 January 2008. During the year £115.5m of such surplus arose and therefore the loan balance at the end of the year was £184.5m. Of the £115.5m repayment, £80.0m was repaid during the year and a further £35.5m is repayable in April 2009 and is therefore included within current liabilities on Form 14.

d) Guarantees, indemnities or other contractual commitments

The Company has provided indemnity to a fellow subsidiary, AXA Sun Life Services plc (ASLS), which acts as a distributor and third party administrator for the Company's products and services. This indemnity is provided in the event of ASLS becoming insolvent, to meet and deal with any civil liability which ASLS has incurred to investors (i.e. policyholders) in the course of its marketing of investments which the Company is party to. Any liability arising from the indemnity would be met with other than long term fund assets.

e) Other uncertainties

Levies are made under the Financial Services Compensation Scheme (FSCS) to compensate consumers in the event of the failure of any firm authorised under the Financial Services and Markets Act 2000. At the end of the financial year, no amounts had been provided for such levies as the proposed levies for insurance firms in 2009 are not significant.

Provision has been made for the best estimate of the potential redress to policyholders in respect of endowment mortgage product flaws.

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2008**

## NOTES TO THE RETURN

### \*1405\* - Other liability adjustments

The amount included at line 74 of Form 14 is as follows:

	<b>2008</b>	2007
	<b>£000</b>	£000
Inadmissible deferred tax asset shown as part of the total net deferred tax liability under the insurance accounts rules	-	(111,570)
Gross up of liabilities within the internal linked funds	<b>(110,449)</b>	(211,096)
Other gross ups	<b>(282,654)</b>	(27,693)
Valuation differences (note 0310)	<b>1,254,014</b>	2,226,810
	<b>860,911</b>	1,876,451

### \*1406\* - Increase or decrease in the value of non-linked assets

The value of non-linked assets in the Old With Profits Fund decreased during the year by £79.5m (2007: increase of £59.7m). For the New With Profits Fund there was a decrease during the year of £156.7m (2007: increase of £122.9m).

### \*1601\*

&

### \*4005\* - Basis of foreign currency conversion

Income and expenditure in foreign currencies are translated to Sterling at rates of exchange current at the transaction date.

### \*1603\* - Other income and charges

The amount included at line 21 relates to:

	<b>2008</b>	2007
	<b>£000</b>	£000
Audit Fees	<b>1,202</b>	(1,202)
Increase in provisions for bad debt	<b>(271)</b>	(286)
Other expenses	<b>(16)</b>	(2)
Exceptional item	-	679,260
	<b>915</b>	677,770

On 1 January 2007 the shareholder funds of SLUA, SLPM and PPP were transferred into the Company in accordance with a Part VII scheme. No fair value adjustments have been considered necessary to reflect this transaction, as it is not considered an acquisition under FRS 6 'Acquisitions and Mergers'. This transfer resulted in exceptional income of £679.3m which arose within the shareholder fund.

There were no exceptional items arising in the financial year ended 31 December 2008.

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2008**

## **NOTES TO THE RETURN**

### **\*1700\* - Submission of blank form**

The Insurer held no derivative contracts as other than long term insurance business assets at any time during the year and so no Form 17 relating to other than long term insurance business assets is required.

### **\*1701\* - Variation margin**

No excess variation margin has been received. No variation margin is included in respect of the derivatives held by funds, other than property linked funds, within the long term business fund or the other than long term business fund.

### **\*1702\* – Use of quasi derivatives**

- a) The aggregate value of rights in respect of assets which have the effect of derivative contracts at the end of the financial year was £958.1m. The amounts contributed to each line in Form 13 in respect of quasi derivatives is as follows:

	<b>2008</b>
	<b>£000</b>
Line 45	<b>6,896</b>
Line 46	<b>303,873</b>
Line 47	<b>7,735</b>
Line 48	<b>639,563</b>
	<hr/> <b>958,067</b> <hr/>

In the prior year, the aggregate value of rights in respect of assets that have the effect of derivatives did not exceed 2.5% of the assets at line 89 of Form 13.

- b) The aggregate amount of liabilities under contracts or in respect of assets either of which have the effect of derivative contracts did not exceed 2.5% per cent of the aggregate amounts shown at either lines 15 to 39 of Form 14 or lines 41 to 51 of Form 13.

### **\*1812\* - Form 18 Line 65**

The amount included in Form 18 Line 65 for the New With-Profits Fund represents the present value of tax on future shareholder transfers that, in accordance with the Reorganisation Scheme, is not required to be included in Form 19 Line 51.

### **\*1901\* - Direction modifying the Accounts and Statement Rules**

The FSA issued to the firm, effective November 2007, a direction under section 148 of the Act. The effect of the direction is to allow the firm to include assets available to support the New With Profits Fund in its realistic balance sheet (at line 27), in accordance with the firm's Reorganisation Scheme. These assets are also included in 89 and line 92 (if applicable) of Form 13 for the Non Profit Fund One and Non Profit Fund Two.

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2008**

## **NOTES TO THE RETURN**

### **\*4002\* - Other income and expenditure**

#### **Other income**

	<b>2008</b>	2007
	<b>£000</b>	£000
Receipt of contingent loan	-	300,000
Rebated unit trust charges	<b>2,008</b>	-
	<b>2,008</b>	300,000

#### **Other expenditure**

Contingent loan repayment	<b>115,542</b>	-
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In December 2007 the Company issued £300m of contingent loan notes, which were purchased by ASLH. Repayment is contingent on surplus arising on the business transferred to the Company under the Part VII scheme (note 0308). Under INSPRU 1.2.79(2) this liability does not need to be separately valued and as such the proceeds received from the issue are recognised as income in Form 40 line 15. In the year to 31 December 2008 a repayment of £115.5m has been recognised in Form 40 line 25.

### **\*4004\* - Business transfers-in**

On 1 January 2007 the long term funds of SLUA, SLPM and PPP were transferred into the Company in accordance with a Part VII scheme. The total amount transferred in was £29,465.4m.

### **\*4006\* - Apportionment between notional sub-funds**

The principles and methods of apportionment applied in Form 40 in respect of the long term insurance business funds are as follows:

- (i) Investment income arising from assets notionally identified to the Old With Profits, New With Profits, Non Profit One and Non Profit Two sub-funds respectively has been allocated to those sub-funds;
- (ii) The increase/decrease in the value of non-linked assets is the amount required so that the fund corresponds to the mathematical reserves except in the case of Non Profit One where surplus of £600m is carried forward unallocated;
- (iii) Commission has been allocated according to the nature of the relevant contract;
- (iv) Expenses are directly allocated to the relevant sub-fund according to the nature of individual contracts; and,
- (v) United Kingdom taxation has been allocated based on separate tax calculations for each sub-fund.

### **\*4008\* - Management services**

During the financial year ended 31 December 2008 investment management services have been provided to the Company by AXA Investment Managers UK Limited. Various other management services have been provided by AXA Sun Life Services plc, a fellow subsidiary company.



Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2008**

## **NOTES TO THE RETURN**

### **\*4009\* - Material connected party transactions**

During the financial year ended 31 December 2008 the Insurer carried out the following transactions which exceed 5% of the Insurer's liabilities arising from its long-term insurance business, excluding property linked liabilities and net of reinsurance ceded.

<b>Transacting Party</b>	<b>Relationship</b>	<b>Type of Transaction</b>	<b>Amount £000</b>
Sun Life Assurance Society plc	Group Undertaking	Reassurance premiums received	388,701
Sun Life Assurance Society plc	Group Undertaking	Reassurance claims paid	1,033,341
AXA Annuity Company Limited	Group Undertaking	Reassurance premiums ceded	134,980

### **\*4010\* - Investment income relating to linked assets**

The amount of investment income relating to linked assets in Line 12 of Form 40 for the Old With Profits Fund is £0.1m (2007: £Nil). For the New With Profits Fund it is £0.3m (2007: £0.1m).

### **\*4012\* - Transfer from the New With Profits Fund into the non technical account**

The transfer from the New With Profits Fund into the non technical account constitutes a distribution of surplus of £22.7m (2007: £26.0m).

### **\*4013\* - Difference in treatment from accounts prepared under Companies Act 1985**

Financial Reporting Standard 26 has been adopted in the Insurer's accounts prepared under Companies Act 1985 ('the financial statements'). As a consequence, in the financial statements, direct written contracts which do not transfer significant insurance risk have not been accounted for as insurance contracts and no premiums or claims are recorded in respect of these contracts. However, in accordance with paragraph 8 of Appendix 9.3 of IPRU(INS), for the purpose of these returns these contracts continue to be treated as insurance. Due to this difference in treatment certain items in Form 40, Form 41 and Form 42 will not correspond with the amounts reported in the financial statements.

### **\*4201\* - Analysis of Claims**

A proportion of the claims reported in Form 42 are paid under reinsurance arrangements to Sun Life Assurance Society plc which is another insurance company. The analysis of claims shown reflects the nature of the claim from the perspective of the initial insurer.

### **\*4401\* - Basis for valuation of assets**

Invested assets including land and buildings are shown at market value in accordance with the policy terms.

Name of Insurer **AXA Sun Life Plc**

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## NOTES TO THE RETURN

### **\*4402\* - Aggregate value of derivative contracts**

The gross aggregate value of rights under derivative contracts, or in respect of assets which have the effect of a derivative contract, held by the property linked funds, was £746.3m (£744.4m excluding variation margins).

### **\*4411\* - Restated comparatives**

The comparative figures in lines 21, 31 and 32 have all been reduced by £112.1m compared to the amounts in the 2007 return initially submitted. This had no impact on the overall total of the form. This has been done with the agreement of the FSA to give a more accurate analysis.

### **\*4412\* - Provisions for tax on unrealised capital gains**

The provision for tax on unrealised capital gains on assets held within the unit linked funds is reflected in the amount reported as net unit liability and not therefore reported on line 15 of Form 44 as a separate reduction in the value of assets that cover those liabilities.

### **\*4502\* - Other income and expenditure**

The amount at line 14 relates to:

	<b>2008</b>	2007
	<b>£000</b>	£000
Rebated unit trust charges	<b>24,638</b>	41,144
Other	<b>4,065</b>	470
Internal linked funds transferred in under Part VII scheme	-	29,112,737
	<b>28,703</b>	29,154,351

The amount at line 26 relates to:

	<b>2008</b>	2007
	<b>£000</b>	£000
Investment management expenses	<b>3,981</b>	5,562
Transaction costs on investment purchases	<b>34,206</b>	23,728
	<b>38,187</b>	29,290

### **\*4701\* - Number of new group schemes with no member records**

The numbers of new group schemes where records of benefits are not held at member level were:

415 Collective Life 1 scheme

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## **NOTES TO THE RETURN**

### **\*4703\* - Approximations used in determining column 3 and 5**

The following approximations were used in determining the split of policy holders between single and regular premium business:

UK Pension / Direct insurance business		
400	Annuity non-profit (CPA)	an average case size was assumed to apply across all annuities (400 and 905)
905	Index linked annuity	an average case size was assumed to apply across all annuities (400 and 905)

### **\*4801\* - Investment mix assumed in asset share calculations**

(a) The following are the bonus series that have an asset share philosophy which assumes a variation of asset mix by duration of policy:

Low-Cost Homebuyers' Plan  
Homebuyers' Investment Plan  
Multivestor  
Multipension Series 2  
Multipension Series 3  
Flexible Pensions  
Pensions 1997 Series  
Pensions 1999 Series  
Pensions 2000 and 2002 Series  
Retirement Investment and Income Plan

(b) For conventional with profits business the asset mix used as at 31 December 2008 was as follows:

UK Equities	35.4%
Overseas Equities	11.2%
Properties	12.0%
Fixed Interest	36.9%
Other	4.5%

This applies to the following bonus series:

Conventional Life Series 1  
Conventional Life Series 2  
Conventional Pensions  
Top Flight, Moneysaver and Postal Staff Scheme  
Retirement Savings Scheme

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## NOTES TO THE RETURN

For unitised with profits policies with either no maturity date or more than one third of the term remaining the asset mix used as at 31st December 2008 was as follows:

UK Equities	47.0%
Overseas Equities	15.0%
Properties	16.0%
Fixed Interest	19.6%
Other	2.4%

This applies to the following bonus series:

Investment Bond and Flexible Bond  
With Profits Income Bond  
Individual Savings Account  
Low-Cost Homebuyers' Plan  
Homebuyers' Investment Plan  
Multivestor  
Multiplan  
Multipension Series 2  
Multipension Series 3  
Flexible Pensions  
Trustee Plan  
Pensions 1997 Series  
Pensions 1999 Series  
Pensions 2000 & 2002 Series  
Retirement Investment and Income Plan  
Amulet  
AXA Isle of Man Bond (Sterling)

Other parts of the unitised with profits business have different asset mixes; such parts each represent less than 10% of total with profits mathematical reserves.

### **\*4803\* - Yields not determined by reference to the final redemption date**

In the case of a fixed interest security that may be redeemed at different dates at the option of the issuer, the yield is initially determined with reference to the final redemption date. For a security where the resulting yield is significantly different from that expected based on market yields, the yield is adjusted to equal that determined by reference to the relevant earlier date. The total value included in Form 49 line 61 in respect of securities that may be redeemed at different dates at the option of the issuer is £718m.

### **\*4804\* - Yield of 'other assets'**

The assets included in lines 18 and 28 of Form 48 break down as follows:

	Market Value £m	Yield %
Cash	322	6.94%
Derivative exposure (assumed to receive the cash return)	65	6.94%
Policy loans	16	4.36%
Miscellaneous assets bearing little or no income	638	0.26%

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## **NOTES TO THE RETURN**

### **\*4806\* - Assets used to determine investment returns in column 5**

The assets included in the calculation of investment returns shown in column 5 are the assets underlying the calculation of asset shares. The asset categories used for asset share return calculations are not in all cases the same as the categories in lines 21-29 of column 2, and have been defined as follows:

<b>Line</b>	<b>Assets included</b>
21	Properties including investments in property through collective investment schemes and limited partnerships.
22 & 23	Non-index-linked gilts and corporate bonds (including non-index-linked variable interest bonds, which are included in column 2 line 24). An approximate basis has been used to split the return between the two lines.
24	Index-linked gilts and bonds. A small amount of such securities were held in the with profit funds for the early half of the year.
25-27	Equities and collective investment schemes investing in equities. An approximate method has been used to split the return on all equities (used in asset share calculations) between these three lines.
28	All assets included in the calculation of asset shares but not included in lines 21-27, consequentially this is mostly cash.

The weighted average in line 29 of column 5 is that applicable to asset shares of policies denominated in sterling other than with profits annuities. Other policies have a different asset mix.

### **\*4807\* - Reconciliation with Form 50**

In accordance with the provisions of the Reorganisation Scheme governing the Company, a notional allocation of assets between subfunds is required, Form 48 reflects this notional allocation. However, assets allocated to liabilities for the purpose of INSPRU 3.1.28R are selected from the total assets of the Company without regard to the notional allocation between subfunds. Form 57 shows the yields of assets allocated in this way. Where assets backing non-profit liabilities in each of the With Profits Funds for the purpose of INSPRU 3.1.28R are not included in the notional assets allocated to that subfund, additional fixed interest assets allocated to that subfund have been included in lines 12-14, so that the total assets in line 19 are equal to the non-profit mathematical reserves.

### **\*4901\* - Source of credit ratings**

Credit ratings from Standard & Poor's and Moody's are used. If both are available, the lower rating is used. In the absence of either, a prudent internal rating is used.

### **\*5101\* - Number of group schemes with no member records**

The number of group schemes where records of benefits are not held at member level are:

Miscellaneous non-profit	9 schemes
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Financial year ended **31 December 2008**

## **NOTES TO THE RETURN**

### **\*5103\* - Products classified as miscellaneous**

The following product with reserves in excess of £10m has been classified under miscellaneous product code 205:

- Moneyback (level term assurance with a small with profits maturity benefit)

The following product with reserves in excess of £10m has been classified under miscellaneous product code 435:

- Postponed retirements and other deferred maturities where the benefit is expressed in cash form

### **\*5104\* - Approximations in apportionments between product codes**

Conventional with profits endowment assurances have been allocated to product code 125 (target cash) if the policy record includes features generally indicative of mortgage repayment policies and to product type 120 (savings) otherwise.

### **\*5203\* - Details of policies included in the miscellaneous product code.**

The following product with gross mathematical reserves in excess of £10m has been classified under miscellaneous product code 575:

- Unitised with profits ISA (single premium)

### **\*5204\* - Approximations used to apportion between product codes.**

Unitised with profits endowment assurances have been allocated to product code 515 (target cash) if the policy record includes features generally indicative of mortgage repayment policies and to product code type 510 (savings) otherwise.

### **\*5301\* – Number of group scheme with no member records.**

The following product codes contain large group schemes where the member details are not known.

735 Group money purchase pensions property linked	56 schemes
755 Trustee investment plan	3 schemes
765 Group Managed Fund	148 schemes

### **\*5303\* - Details of policies included in the miscellaneous product code.**

The following product with gross mathematical reserves in excess of £10m has been classified under miscellaneous product code 795:

- Lifetime Care Bond

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## **NOTES TO THE RETURN**

### **\*5304\* - Approximations used to apportion between product codes.**

Unit-linked endowment assurances have been allocated to product code 720 (target cash) if the policy record includes features generally indicative of mortgage repayment policies and to product code type 715 (savings) otherwise.

### **\*5403\* - Products classified as miscellaneous**

The following product with reserves in excess of £10m has been classified under miscellaneous product code 910:

- Index-linked Individual Lifetime Care Plans

### **\*5812\* - Surplus carried forward**

A transfer of £96.8m has been made at 31 December 2008 to the non-technical account. This transfer represents £7.8m from the Old With Profits Fund, £22.7m from the New With Profits Fund, £41.3m from Non Profit Fund 1 (NPF1) and £25.0m from Non Profit Fund 2 (NPF2). The transfers from NPF1 and NPF2 represent profits of £414m on the business previously within SLUA, SLPM and PPP, which was transferred to the Company on 1 January 2007. The fair value of the assets comprising the transfer is £414m, of which £66.3m was treated as admissible for the purposes of recording the transfer on Form 58.

Excess assets of £600m are shown as carried forward and unappropriated within the long term fund on Form 58 Line 49, the distribution of which to shareholders must be in accordance with the rules governing the financial reorganisation and transfer of business to the Company on 1 April 2001. These rules prevented distribution to shareholders before the fifth anniversary of the commencement of the reorganisation.

The first five year test under the rules governing the financial reorganisation was carried out based on the Company's financial position as at 31 December 2005. The results of the test were considered by the Company's board in February 2007 where it was agreed that any distribution to the shareholders would be inappropriate at this time. The next five year test will be carried out as at 31 December 2010.

### **\*6002\* - Reconciliation with Form 50 and Form 58**

The net reserves included in line 49 of Form 60 do not reconcile with the sum of Form 50 Line 48 and Form 58 Line 43. This is due to the reinsurance of annuity reserves to AAC (the intra-group ISPV). The reinsured reserves of £1.26bn are recaptured in Form 60 for the purpose of calculating the reinsurance ratio in accordance with INSPRU 1.1.92A.

Name of Insurer: **AXA Sun Life Plc**

## **IPRU(INS) Rule 9.31(a) and Appendix 9.4**

### **VALUATION REPORT**

Throughout this report the following notation is used:

the Company	denotes	AXA Sun Life Plc
SLAS	denotes	Sun Life Assurance Society Plc
AAC	denotes	AXA Annuity Company Limited
1 basis point (bps)	denotes	0.01%.

#### Internal reinsurance arrangements from 31 December 2008

On 31 December 2008, ASL entered into a reinsurance arrangement with SLAS to reinsure 100% of the Non Profit Life Annuities in Payment from SLAS. The reinsurance is accepted into Non Profit Fund One of ASL.

#### Change of ownership and status of AXA Annuity Company Limited

On 30 September 2008, the ownership of AAC was transferred from AXA Sun Life Holdings Plc to the shareholder fund of ASL.

On 31 October 2008, the FSA approved a change in status of AAC to an Insurance Special Purpose Vehicle (ISPV).

The information included in the ASL insurance return makes allowance for the business within AAC where appropriate and is in line with the relevant sections of INSPRU.

#### **1. Valuation date**

- (1) The actuarial investigation relates to a valuation date of 31 December 2008.
- (2) The valuation date of the previous investigation was 31 December 2007.
- (3) There have been no interim valuations (for the purpose of IPRU(INS) rule 9.4) since the previous valuation date.

#### **2. Changes to product range in 2008**

##### *Unit-linked Personal Pensions*

At the beginning of 2008, the Corporate Pensions range was extended with the launch of new ASL products developed in conjunction with Winterthur Life. This launch comprised a new Group Personal Pension, Group Stakeholder Pension, Group Occupational Pension (Contracted In Money Purchase arrangement) and a Corporate Trustee Investment Plan. The policyholders can invest in either AXA or Winterthur funds.

##### *Whole of Life Non Profit protection*

In autumn 2008, a new series of Funeral Cover Plans was launched as a joint venture with Co-operative Funeralcare. These include a choice of benefit levels, with both Single Premium and Regular Premium versions.



### *Statement relating to with profits business*

Both of the Company's with profits subfunds (the Old With Profits Fund and the New With Profits Fund) are open to new with profits business.

### **3. Discretionary charges and benefits**

#### **(1) Application of Market Value Reduction**

During 2008, a Market Value Reduction (MVR) was applied on discontinuance (where permitted, and subject to relevant minima) in respect of the following unitised with profits products effected in the policy years set out below.

Product Description	Period That MVR Applied		Policy Dates of Entry
	From	To	
Sterling onshore bonds	14/10/2008	19/10/2008	1998 - 2002
	20/10/2008	31/12/2008	1997 - 2002
Sterling offshore bonds	20/10/2008	31/12/2008	2001 & 2005
Euro Bonds	20/10/2008	31/12/2008	2001- 2002 & 2005

For Bonds, MVR rates vary by quarter of entry. For some quarters in the above years, MVR adjustments did not apply.

No MVR was applied for Bonds denominated in Dollars.

For certain other unitised with profits contracts, an MVR may have been applied based on an individual policy calculation at the time of discontinuance. General information on policy years of entry of affected policies is not available.

#### **(2) Changes to premiums on reviewable non-linked protection policies**

##### **Individual Lifetime Care Plans**

The mathematical reserve held for this business at the valuation date is £124m. All reviewable contracts that reached a review date in 2008 have been reviewed, this totals £70m of mathematical reserves. The reviewability of a policy is determined by the following conditions:

- Contracts written prior to 1 September 1994 may be reviewed at any time.
- For contracts written after 1 September 1994 but before 1 July 1996, the first review will take place after 10 years;
- For those written after 1 July 1996 but before 1 May 2003, the first review will take place after 10 years with subsequent reviews being 5 yearly;
- For contracts written after 1 May 2003, the reviews will take place every 5 years.
- For single premium contracts written after 19 June 2000 (or with application date after 1 June 2000) but before 1 May 2003, no reviews will take place after age 70;
- For single premium contracts written after 1 May 2003 no reviews will take place after age 85;
- For regular premium contracts written after 19 June 2000 (or with application date after 1 June 2000) no reviews will take place after age 89.

At review policyholders are given, as appropriate, options of amending premium amounts to maintain the current benefit level, or selecting an equivalent amendment to the benefits under the contract. The following tables provide "quoted" premium changes for policies where a policy review initiated during 2008.

## Reviews during 2008

6,551 reviews initiated during 2008.

1,581 of these were “first reviews”, typically falling 10 years after a policy was sold, although a small number of policies sold in 2003 were subject to review after 5 years. First review results were as follows:		
Favourable: 102 (6.5%)	Neutral: 72 (4.6%)	Unfavourable: 1,407 (89.0%)
Largest premium increase:	158% (regular premium), 232% (single premium)	
Largest premium decrease:	37% (regular premium)	

4,970 were “subsequent reviews”, as many policies continue to be reviewable after the first review. Results of the subsequent reviews were as follows:		
Favourable: 1,107 (22.3%)	Neutral: 2,269 (45.7%)	Unfavourable: 1,594 (32.1%)
Largest premium increase:	60% (regular premium), 106% (single premium)	
Largest premium decrease:	22% (regular premium)	

It should be noted that the premium increase option quoted may not have been chosen in all cases.

For neutral or favourable reviews there was often no change to premiums quoted, instead the benefits under the contracts remained the same or increased.

### **Individual Critical Illness and Individual Permanent Health Insurance**

The premiums for these contracts can be reviewed at any time. No reviews were carried out during 2008. The total mathematical reserves for this business are £5.1m.

#### **(3) Non-profit deposit administration benefits**

The rate of growth added to non-profit deposit administration benefits during 2008 was 4.25%, less the rate of annual fund management charge relevant to the policy.

#### **(4) Service charges on linked policies**

Service charges for unit-linked policies changed as follows during 2008 or with effect from 1 January 2009:

##### No change:

Low-cost Homebuyers' Plan  
Multivestor  
Unit-linked pensions (except where described below)

##### Increase of approximately 5.0% (in line with Retail Prices Index to July 2008):

Multiplan  
Health Care Income Plan  
Flexible Pensions (except paid-up pensions)

Increase of approximately 5.0% (in line with Retail Prices Index to September 2008):

Flexible Cover Plan  
Flexible Mortgage Plan

Increase of approximately 4.2% (in line with Retail Prices Index to October 2008):

Individual Lifetime Care Bond

Increase in line with Retail Prices Index dependent on policy anniversary date:

Homebuyers' Investment Plan

Increase of approximately 3.5% (in line with National Average Earnings Index to July 2008):

Private pension funds

## **(5) Benefit charges on linked policies**

### ***Multiplan***

During 2008, the mortality and morbidity charges on all Multiplan policies were reviewed. The total reserves for Multiplan policies at the valuation date are £260m.

Overall, the impact of the review resulted in a decrease in mortality charges of approximately 10% and an increase in morbidity charges of 10%. For individual policies, the range of changes to the charges were from -30% to +90%.

No other changes to mortality or morbidity charges for unit-linked policies took place during 2008.

## **(6) Fund management charges**

During 2008, there were no changes affecting existing policies to fund management charges for internal unit-linked funds. There are no notional charges to accumulating with profits policies.

## **(7) Unit pricing methods**

### ***Funds other than Group Managed Funds and Ex-PPP Lifetime Care Funds***

For each fund, asset prices are normally obtained at 2 pm on each business day. For funds which invest in external OEICs, the assets are valued by the OEIC provider and the latest published price available are used.

The assets are normally valued on a creation basis (i.e. the price at which assets could be bought), unless it is known that there is a net outflow, in which case the assets are normally valued on a cancellation basis (i.e. the price at which assets could be sold). However, judgement is exercised by the Company as to which basis to use, or whether to use an intermediate basis, depending on the expected trend of net inflows and outflows, to ensure fairness to incoming, outgoing and continuing unit holders. In each case allowance is made for dealing costs, accrued income and any tax implications.

For some funds, the creation or cancellation price, as appropriate, is then calculated from the previous working day's price using the percentage change in net asset value and making allowance for net new money into the fund. For other funds, the creation or cancellation price, as appropriate, is calculated by dividing the net asset value by the number of units.

If a creation price basis is being used, the offer price is derived by multiplying the creation price by an offer price factor, with an adjustment for fund management charges. If a cancellation price basis is being used, the offer price is derived by multiplying the cancellation price by an offer price factor, with an adjustment for fund management charges. The bid price is the resulting offer price multiplied by the reciprocal of the offer price factor.

For funds with a 5% bid-offer spread, the offer price factor is 100/95. For funds with no bid-offer spread, the offer price factor is 1.

Except for switches, units are allocated to a policy at offer price and cancelled at bid price.

Normally, for new business and payment of regular premiums for existing business, the price used is on a historic basis, i.e. that derived from the asset valuation at 2 pm on the previous business day. For all other transactions the price used is on a forward basis, i.e. that derived at 2 pm on the same day, except for certain switches, where the price used is that derived at 2 pm on the following day. For Premium Select Bond, all transactions into or out of the externally managed funds are priced on a forward basis.

Notwithstanding the normal rules as described above, the policies give the right in certain circumstances to defer transactions for up to one month (or up to six months for Property Fund units). At the end of such periods of deferral the unit prices used in such deferrals will be those determined immediately following such period.

### ***Group Managed Funds***

For each group managed fund, unit prices are calculated once a week (the “dealing” day). Ordinarily the dealing day is on a Thursday, but at month ends it is the last business day of the month whilst at the beginning of April it is on the fifth (or equivalent business day). On the dealing day asset prices are normally obtained at close of business on that day. For each fund unit prices are obtained by dividing the middle market prices of the underlying assets by the number of units, with an adjustment for fund management charges.

All purchases and sales of units (including switches) take place at the unit prices adjusted upwards for the average expenses of purchase or downwards for the average expenses of sale. These expenses are based on actual dealing costs and are regularly reviewed. Adjustment may also be made on account of income accrued but not received and expenses incurred but not paid (including provision for any potential liability for tax or other statutory payments).

### ***Ex-PPP Lifetime Care Funds***

For internal linked funds available to the Individual Lifetime Care Bond and the Money Market Fund available to the Triple Bonus Bond, prices are determined on a daily basis. For the Balanced Fund available to the Special Investment Bond, unit prices are determined on the first working day of the month.

The Money Market Fund and the Long Term Care Deposit Fund are invested in short term deposits and cash. The remainder of the unit funds are directly invested in unit trusts.

The assets are normally valued on a creation basis (i.e. the price at which assets could be bought), unless it is known that there is a net outflow, in which case the assets are normally valued on a cancellation basis (i.e. the price at which assets could be sold). However, judgement is exercised by the Company as to which basis to use, or whether to use an intermediate basis, depending on the expected trend of net inflows and outflows, to ensure fairness to incoming, outgoing and continuing unit holders.

Units are created or cancelled within each fund at the valuation bid price. This price is determined by taking the value of unit trust units and adjusting for any allowance for distributed income notified but not paid, any associated tax credits, and any investment management charges. This total fund value is divided by the number of units.

Units are purchased by the fund from policyholders at the bid price, which is calculated as the valuation bid price rounded to the lower 0.1p. Units are sold to policyholders at the offer price that is calculated as the bid price multiplied by 100/95 and rounded to the higher 0.1p.

The unit trust assets are valued using the creation price or cancellation price set by the underlying unit trust company on the day of valuation. In general these prices are set at or around 12.00 noon. On any given day the Company deals at the internal prices calculated at the next public valuation which is at 5.00pm.

## **(8) Tax deductions from unit-linked funds**

### Life Funds

Tax is provided for on realised capital gains at a rate of 20% immediately on realisation. For this purpose, one seventh of the unrealised gains in the period on collective investment schemes is treated as a realised capital gain. The tax due is withdrawn from the funds annually.

Tax relief for losses is given if there are sufficient gains within the same investment fund against which to offset the loss. If there are insufficient gains then the losses are carried forward within the same fund to be utilised at a later date.

Provision is made in the unit pricing for the potential tax liability on unrealised gains (including gains on collective investment schemes that are not treated as realised gains) at a rate of between 15% and 17.5% (dependent on the assets held within the funds). No money is removed from the funds.

Both realised and unrealised capital gains include an allowance for indexation. Tax is provided for in the unit prices on a daily basis.

The mathematical reserves for the unit linked business implicitly cover liabilities to policyholders and tax that may become payable on unrealised gains of the invested assets.

### Other Funds

As only pension and PHI business is transacted, no tax on capital gains is payable, and so there are no deductions for tax.

## **(9) Tax provisions for unit-linked funds**

See 3.(7) and section 3.(8).

## **(10) Discounts on purchases of units**

### *Ex-PPP Lifetime Care Funds*

The arrangements in place with the fund managers allow for unit purchases and sales to be transacted at their creation or cancellation prices respectively. The Company receives no commission payments for unit trust purchases. An exception to this agreement is with Close Fund Managers where a 0.5% initial charge is levied on unit purchases.

An arrangement is in place with certain fund managers whereby the internal funds receive a rebate on the annual management charge levied by the underlying unit trust:

- Lifetime Care JPMF Balanced Fund A	0.75% pa
- Lifetime Care JPMF Balanced Fund B	0.50% pa

These rebates are reflected in the unit price offered to policyholders.

## Other Funds

The MLC Bond can be invested in funds managed by external fund managers. Where this is the case, part of the discount received from the fund manager is paid as an allowance to the business partner.

All other discounts and rebates accrue to the benefit of the policyholders. However, policies which invest in these funds are subject to a higher fund management charge than other similar policies. There are no other discounts etc. allowed on purchases, sale or holding of these types of unit.

<b>Fund manager</b>	<b>Discount on Initial Charge %</b>	<b>Discount on Management Charge %</b>
Aberdeen Asset Management	4.25	0.75
Allianz	4.00	0.893
Architas Multi-Manager	4.00 - 5.00	0.31 - 1.30
Artemis Fund Managers Ltd	5.00 - 5.25	0.50 - 0.75
Aviva Investors	4.50 - 5.00	0.50 - 0.625
AXA Framlington	5.25 - 5.50	0.50 - 1.00
AXA World Funds	5.00	0.75
Ballie Gifford	1.00	Up to 0.15
Barclays Investor Services	4.00	0.50
BGI	0	0
BlackRock Merrill Lynch	5.00	0.75 - 0.875
Cazenove	5.00	0.50 - 0.75
CF Danske	3.75	0.625 - 0.75
CF Midas	4.50	0.70
CF Miton	5.00	0.50
CF OPM	3.75	0.50 - 0.70
Close	3.00	0.5
Credit Suisse	4.00	0.75
EFA	4.20 - 5.00	0.60
F & C	5.00	0.60 - 0.75
Fidelity	3.50 - 5.25	0.30 - 0.77
First State Investment Ltd	4.00	0.50
Franklin Templeton Investment Ltd	5.00	0.75
Gartmore Investment Management	5.00	0.50 - 0.75
Hargreaves Lansdown	5.00	0.50
Henderson	0	0
HSBC	Up to 4.00	Up to 0.625
IFSL Sinfonia	5.50	0.75
Ignis	4.25	0.55
Insight	4.00	0.75
INSYNERGY	4.75	0.54 - 0.90
Invesco Perpetual Fund Managers Ltd	5.00	0.30 - 0.75
Investec	4.50	0.625 - 0.75
JP Morgan	Up to 5.50	Up to 0.75
Jupiter Unit Trust Managers	4.00 - 5.50	0.24 - 0.75
L & G (Barclays)	1.00 - 2.50	0.50
Legg Mason Investments	4.25	0.75
M & G	4.00 - 5.00	0.15 - 0.75
Margetts	4.00	0.50
Margetts Greystone	3.00	0.60
MLC Trust Management	4.50	1.00

<b>Fund manager</b>	<b>Discount on Initial Charge %</b>	<b>Discount on Management Charge %</b>
Neptune	5.00	0.80 - 0.875
New Star Investment Funds Ltd	4.25 - 5.25	0.50 - 0.875
Newton	3.00 - 4.00	0.50 - 0.75
Old Mutual	3.50 - 4.00	0.55 - 0.75
Psigma	5.25	0.75
River & Mercantile	5.00	0.60
Sarasin	5.00	Up to 0.75
Schroders Investments Ltd	3.25 - 5.25	Up to 0.75
Standard Life Investments Ltd	3.00 - 4.00	0.475 - 0.75
T Bailey	5.00	0.75
Threadneedle Asset Management Ltd	Up to 3.75	0.20 - 0.75
UBS	4.00	0.90

Where more than one rate of discount is shown, the rate varies either by the individual fund selected or by product type.

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

The valuation bases set out in section 4 relate to groups of products where the gross mathematical reserves or the gross annual premiums exceed £10m. The grouping of products is that relevant to the particular method or assumption.

##### **(1) Valuation methods**

###### **General principles and methods used in the valuation**

The valuation bases have been determined with regard to the nature and the term of the assets available to meet the liabilities valued.

The reserves were determined on a prudent basis in accordance with actuarial principles, taking account of the underlying nature of the contracts.

Full allowance has been made in the valuation for the effects of the ceding of premiums and risk under the various reinsurance arrangements in place at the valuation date.

Any negative reserves arising on any policy have been eliminated.

A provision has been made to cover the possibility of default by the external reinsurers.

###### ***Conventional Business***

For the majority of business a gross premium method of valuation has been used. No allowance for future bonuses has been made for with profits business.

For products where the reserves otherwise calculated are less than the discontinuance value for a material proportion of policies, the reserve for each policy has been increased where necessary to ensure that it is not less than the amount payable on discontinuance. Furthermore, the reserve is not less than the amount required so that, on the valuation assumptions, this condition will be satisfied at all times in the future.

It is assumed that discontinuance values are payable only in circumstances where the policyholder might reasonably expect a discontinuance value to be paid. The assumed amount of discontinuance value is determined using bases currently in force, excluding amounts arising from future bonus distributions.

For the main classes of life with profits business, an allowance for future voluntary discontinuance has been made; discontinuance values are determined in the same way as described above. No allowance has been made for voluntary discontinuance of with profits pensions business (where almost all policies have attaching Guaranteed Annuity Rates).

For Individual Lifetime Care Plans and Immediate Lifetime Care Plans, the reserves have been calculated using a discounted cash flow method. The cash flows are derived using a multiple state model allowing for the various possible states of the contract. In addition, a provision has been made in respect of potential claims based on the estimated claims outstanding and probability of payment.

For Individual Permanent Health Insurance contracts, the reserve is set equal to the accumulation of a proportion of the premiums received from inception to the valuation date for all active policies. Reserves are also held for claims in payment and notified claims that have not been admitted.

Provision for investment expenses is made by way of a margin between the yield on the assets and the valuation rate of interest.

For conventional pensions policies in postponed retirement where the benefit at normal retirement date is expressed in the form of a cash sum, the reserves are equal to the value of benefit that would be payable on immediate retirement. This is equal to the cash sum payable at normal retirement date plus interest added in respect of the period of postponement.

### ***Unit-linked Business***

For each unit-linked policy the gross reserve is the sum of:

- (i) the value of units allocated at the valuation date, discounted, in the case of capital units and certain accumulation units subject to a discontinuance charge, at a rate not exceeding the rate of future annual management charge or other periodic charges; and
- (ii) a non-unit reserve.

For each individual policy the non-unit reserve is determined by discounting the expected future net cash flow determined on a set of assumptions relating to mortality, interest, expenses and future unit prices. Unit prices are assumed to grow from the prices calculated on the valuation date. Regard is had in the calculations to present and future discontinuance values under each policy so that the total reserve for each policy is adequate for the discontinuance value to be met at any time.

For Multiplans, net cash flows are considered for each year up to and including that of the next expected policy review date. For qualifying policies, consideration is also given to the years beyond this date.

For Individual Lifetime Care Bonds, a traditional cash flow approach to calculating the non-unit reserve was not required due to the close matching of income and expenditure, and the ability to review the risk charging basis for morbidity experience and associated costs. The non-unit liability was calculated as six months risk charges, reduced for the effects of reinsurance. A separate reserve is held for claims in payment.

For the main classes of pensions business, a prudent allowance for future voluntary discontinuance has been made.

For classes where it is prudent to do so (mainly group pensions business), the payment of future premiums is ignored in determining the non-unit reserve.

For Healthcare Income Plans an additional reserve is held for unexpired morbidity charges, for claims assumed to be incurred but not yet reported and for current claims in payment.



### ***Unitised With Profits Business and Retirement Savings Schemes***

The reserve for each plan is calculated using a gross premium valuation method, with no allowance for non guaranteed future bonuses. For contracts with a Guaranteed Interest Rate, the valuation interest rate is not less than that rate.

The reserve is subject to a minimum to ensure that it is not less than the amount payable on discontinuance. Furthermore, the reserve is not less than the amount required so that, on the valuation assumptions, this condition will be satisfied at all times in the future. In determining the assumed current and future discontinuance values, allowance is made for Market Value Reductions (MVR) that were in force at the valuation date.

For most classes, the calculation of the reserves makes an allowance for future voluntary discontinuance. The assumed amount payable on discontinuance is the same as is used to determine the minimum reserves, as described above. No allowance has been made for voluntary discontinuance of policies subject to a Guaranteed Interest Rate or with an attaching Guaranteed Annuity Rate.

Provision for investment expenses is made by way of a margin between the yield on the assets and the valuation rate of interest.

#### **(2) Valuation interest rates**

	31 December 2008 %	31 December 2007 %
<b><i>With Profit Business</i></b>		
Unitised With Profits (except Multipension Series 2) and Retirement Savings Scheme	3.00	3.00
Multipension Series 2	4.00	4.00
Conventional With Profits Life	3.00	3.00
Conventional With Profits Pensions	4.00	4.00
Annuity guarantees in payment (except where valued using stochastic methods)	3.20	3.80
<b><i>Non Profit Business written in WP funds</i></b>		
Over 50 Plan	3.25	3.40
NP Life (other than Over 50 Plan)	3.60	3.60
NP Pensions	4.50	4.50
<b><i>Non Profit Business written in NP funds</i></b>		
Over 50 Plan	2.85	3.40
Additional Life reserves	2.60	3.60
Other NP Life	3.00	3.60
PHI business	5.40	4.50
Life Annuity business reinsured from SLAS	2.95	n/a
Unclassified Pension reserves	3.25	4.50
Other NP Pensions	3.75	4.50
RPI-linked benefits	1.55	1.10
Unit-linked life	2.60	3.60
Unit-linked pensions	3.75	4.50

#### **(3) Risk adjustments to yields**

In determining risk adjusted yields reported in Form 57, the following adjustments have been made, in addition to the 2.5% reduction required by INSPRU 3.1.28R.

## Fixed interest

The following deductions have been made from gross redemption yields:

Rating	Term to redemption (years)		
	<10 % p.a.	10-20 % p.a.	>20 % p.a.
AAA	0.16	0.21	0.24
AA	0.61	0.59	0.61
A	1.06	0.89	0.87
BBB	2.05	1.60	1.50

For fixed interest stocks with a lower rating than BBB, individual deductions are calculated to reduce the gross redemption yield to the equivalent risk free rate.

For fixed interest stocks with a rating of D, the gross redemption yield is set to zero.

For subordinated debt, the above deductions are increased by a factor of 1.5.

The risk adjusted yields on individual bonds are subject to a cap of 12% (15% for business in AAC).

## Equities

Yields have been reduced by 0.1% and have been constrained not to exceed 7.50% p.a.

## Property

Yields have been reduced by 2.25% of the yield.

## **(4) Mortality**

Product group	31 December 2008		31 December 2007	
	Males	Females	Males	Females
With profits endowment assurance (Top Flight)	85% AM80 ult	85% AF80 ult	85% AM80 ult	85% AF80 ult
With profits endowment assurance (Postal Staff Scheme)	57.5% AM92 ult	75% AF92 ult	57.5% AM92 ult	75% AF92 ult
Other with profits endowment assurance	57.5% AM92 ult	75% AF92 ult	57.5% AM92 ult	75% AF92 ult
With profits whole life	100% AM92 ult	120% AF92 ult	100% AM92 ult	120% AF92 ult
Non-profit endowment assurance	65% AM92 ult	65% AF92 ult	65% AM92 ult	65% AF92 ult
Guaranteed Over 50 Plan	100% ELT14M	115% ELT14F	100% ELT14M	115% ELT14F
Other non-profit whole life	110% AM92 ult	135% AF92 ult	110% AM92 ult	135% AF92 ult
Term assurance (AXA Protection Account)	modified TM92 ult	modified TM92 ult	modified TM92 ult	modified TM92 ult
Other term assurance life	modified AM80 ult	modified AF80 ult	modified AM80 ult	modified AF80 ult
Conventional pensions in deferment	75% AM92 ult	75% AF92 ult	75% AM92 ult	75% AF92 ult
Pensions annuities in payment	85% PCMA00 100% medium cohort with 1.7% floor	77.5% PCFA00 75% medium cohort with 1.5% floor	82.5% PCMA00 100% medium cohort with 1.7% floor	77.5% PCFA00 75% medium cohort with 1.5% floor
Non-pensions annuities in payment	75% IM80 C=2010	75% IF80 C=2010	75% IM80 C=2010	75% IF80 C=2010
Deferred pensions annuities and annuity guarantees (after deferment)	82.5% PCMA00 100% medium cohort with 1.7% floor	75% PCFA00 75% medium cohort with 1.5% floor	80% PCMA00 100% medium cohort with 1.7% floor	75% PCFA00 75% medium cohort with 1.5% floor

Product group	31 December 2008		31 December 2007	
	Males	Females		Males
Bonds & Individual Savings Accounts	93% AM80 ult	93% AF80 ult	93% AM80 ult	93% AF80 ult
Low-Cost Homebuyers' Plan, Homebuyers' Investment Plan & Multiplan	modified AM80 ult	modified AF80 ult	modified AM80 ult	modified AF80 ult
Multivestor	modified A67/70 ult	modified AF80 ult	modified A67/70 ult	modified AF80 ult
Other unit-linked life	modified AM80 sel	modified AF80 sel	modified AM80 sel	modified AF80 sel
Flexible pensions (group personal pensions)	modified AM80 ult	modified AF80 ult	modified AM80 ult	modified AF80 ult
Flexible pensions (other)	modified AM80 sel	modified AF80 sel	modified AM80 sel	modified AF80 sel
Group pensions (2002 series)	90.91% AM80 ult	90.91% AF80 ult	90.91% AM80 ult	90.91% AF80 ult
Multipension (series 2)	modified A67/70 ult	modified AF80 ult	modified A67/70 ult	modified AF80 ult

Where the mortality table is described above as modified, the following are specimen mortality rates used at 31 December 2008:

Age	Males			Females		
	Non-smoker	Smoker	Aggregate	Non-smoker	Smoker	Aggregate
<u>Term assurance (AXA Protection Account – Associates sales channel)</u>						
25	0.00056	0.00117	n/a	0.00026	0.00050	n/a
35	0.00057	0.00118	n/a	0.00045	0.00087	n/a
45	0.00118	0.00245	n/a	0.00101	0.00194	n/a
55	0.00365	0.00755	n/a	0.00262	0.00506	n/a
<u>Term assurance (AXA Protection Account – IFA sales channel)</u>						
25	0.00052	0.00109	n/a	0.00023	0.00047	n/a
35	0.00053	0.00110	n/a	0.00039	0.00081	n/a
45	0.00110	0.00228	n/a	0.00087	0.00181	n/a
55	0.00339	0.00703	n/a	0.00227	0.00471	n/a
<u>Other term assurance life</u>						
25	0.00043	0.00055	n/a	0.00020	0.00027	n/a
35	0.00044	0.00073	n/a	0.00037	0.00061	n/a
45	0.00125	0.00266	n/a	0.00090	0.00175	n/a
55	0.00407	0.00917	n/a	0.00233	0.00510	n/a
<u>Low Cost Homebuyers' Plan, Homebuyers' Investment Plan &amp; Multiplan – with Lifecare</u>						
25	0.00042	0.00066	0.00049	0.00021	0.00028	0.00023
35	0.00044	0.00080	0.00055	0.00038	0.00057	0.00044
45	0.00133	0.00242	0.00167	0.00096	0.00153	0.00113
55	0.00435	0.00788	0.00543	0.00272	0.00404	0.00311
<u>Low-Cost Homebuyers' Plan &amp; Homebuyers' Investment Plan – without Lifecare</u>						
25	0.00031	0.00049	0.00037	0.00015	0.00021	0.00017
35	0.00033	0.00060	0.00042	0.00029	0.00043	0.00033
45	0.00100	0.00181	0.00125	0.00072	0.00115	0.00085
55	0.00326	0.00591	0.00407	0.00204	0.00303	0.00233
<u>Multiplan – without Lifecare</u>						
25	0.00034	0.00054	0.00040	0.00017	0.00023	0.00019
35	0.00036	0.00065	0.00045	0.00031	0.00046	0.00035
45	0.00108	0.00196	0.00135	0.00078	0.00124	0.00092
55	0.00353	0.00640	0.00441	0.00221	0.00328	0.00253

Age	Males			Females		
	Non-smoker	Smoker	Aggregate	Non-smoker	Smoker	Aggregate
<u>Multivestor</u>						
25	0.00037	0.00058	0.00043	0.00015	0.00021	0.00017
35	0.00038	0.00068	0.00047	0.00026	0.00039	0.00030
45	0.00112	0.00203	0.00140	0.00065	0.00104	0.00077
55	0.00363	0.00657	0.00453	0.00184	0.00274	0.00211
<u>Other unit-linked life</u>						
25	0.00049	0.00072	n/a	0.00024	0.00034	n/a
35	0.00056	0.00082	n/a	0.00046	0.00066	n/a
45	0.00169	0.00246	n/a	0.00118	0.00171	n/a
55	0.00549	0.00802	n/a	0.00325	0.00470	n/a
<u>Flexible pensions (group personal pensions)</u>						
25	n/a	n/a	0.00050	n/a	n/a	0.00023
35	n/a	n/a	0.00057	n/a	n/a	0.00045
45	n/a	n/a	0.00171	n/a	n/a	0.00116
55	n/a	n/a	0.00556	n/a	n/a	0.00318
<u>Flexible pensions (other)</u>						
25	0.00048	0.00071	0.00053	0.00023	0.00034	0.00026
35	0.00055	0.00080	0.00060	0.00045	0.00064	0.00049
45	0.00165	0.00241	0.00181	0.00116	0.00167	0.00127
55	0.00537	0.00784	0.00591	0.00318	0.00459	0.00350
<u>Multipension (series 2)</u>						
25	0.00027	0.00042	0.00032	0.00011	0.00015	0.00012
35	0.00028	0.00050	0.00035	0.00019	0.00029	0.00022
45	0.00082	0.00149	0.00103	0.00048	0.00076	0.00056
55	0.00266	0.00482	0.00332	0.00135	0.00201	0.00154
<u>Other unit-linked and unithised with profits pensions</u>						
25	0.00057	0.00087	0.00066	0.00023	0.00032	0.00026
35	0.00058	0.00103	0.00072	0.00040	0.00059	0.00045
45	0.00170	0.00308	0.00212	0.00099	0.00157	0.00116
55	0.00550	0.00996	0.00687	0.00279	0.00415	0.00319

For annuities in payment and deferred annuities, expectations of life are as follows:

Product group	Current age	Age at which expectation is determined	31 December 2008		31 December 2007	
			Males years	Females years	Males years	Females years
Pensions annuities in payment		65	24.7	27.4	24.8	27.3
		75	15.4	17.7	15.5	17.5
Non-pensions annuities in payment		65*	20.0	23.1	22.7	25.7
		75	12.9	14.9	15.2	17.2
Deferred pensions annuities	45	65	28.7	30.9	28.9	30.8
	55	65	26.8	29.3	27.0	29.1
Annuity guarantees	45	65	25.4	28.3	25.7	28.3
	55	65	25.4	28.3	25.7	28.3

\*There is little non-pensions annuity business at this age; the average age of annuitants exceeds 80.

The above difference in the non-pensions annuities in payment is due to a correction to the expectation of life calculation for 2008 rather than a change in basis.

Additional reserves totalling £1.5m have been included on account of the increased risk associated with HIV/AIDS. They have been determined having regard to the assumptions corresponding to one third of Projection R6A of the Institute of Actuaries AIDS Working Party.

No additional reserves are held in respect of the possible detrimental impact of other changes in the incidence of disease or developments in medical science.

### Individual Lifetime Care Plans

This product provides long-term care benefits to the policyholder. The tables for both healthy and claim mortality used in the multi-state model to value these contracts have been constructed based on the experience of the office from 1994 up to and including 2007. There is an adjustment to the base tables of 1% p.a. and 0.5% p.a. for mortality improvement of healthy and claim mortality respectively. In addition to the allowances for mortality improvement, there are also prudent margins of 5% and 2% on healthy and claim mortality respectively.

### Immediate Lifetime Care Plan

The mortality table for each life is uniquely determined by applying a flat percentage to the base mortality table (IM80/IF80 C2001), using an individually assessed best estimate of life expectancy. An allowance for future mortality improvement is built into the best estimate of life expectancy, depending on the health conditions of each life. There is also a prudent margin of 10% on the mortality rates. It is not appropriate to indicate example mortality rates as they are unique to each policy.

### Individual Lifetime Care Bond

This contract provides long term care benefits to the policyholder. The mortality assumption is built into the charging annuity factors used in the calculation of the non-unit reserves. The charging annuity factors vary by age, gender, cover type and deferred period. The deferred period is defined as the number of months for which the unit fund value is estimated to last in the event of a long term care benefit claim.

## (5) Morbidity

### *AXA Protection Account (IFA sales channel)*

Specimen critical illness inception rates used at 31 December 2008 and 31 December 2007 for term assurance with accelerated critical illness are set out in the following table. The rates are based on reinsurers' risk premium rates. The corresponding mortality rates are set out in 4.(4).

Age	Males			Females		
	Non-smoker	Smoker	Aggregate	Non-smoker	Smoker	Aggregate
25	0.00046	0.00074	n/a	0.00064	0.00073	n/a
35	0.00122	0.00197	n/a	0.00178	0.00202	n/a
45	0.00387	0.00625	n/a	0.00430	0.00487	n/a
55	0.01071	0.01731	n/a	0.00905	0.01025	n/a

### *Term assurance with accelerated critical illness benefit (other than AXA Protection Account)*

Specimen combined mortality and critical illness inception rates used at both 31 December 2008 and 31 December 2007 are set out in the following table. The rates are based on reinsurers' risk premium rates.

Age	Males			Females		
	Non-smoker	Smoker	Aggregate	Non-smoker	Smoker	Aggregate
25	0.00120	0.00196	n/a	0.00080	0.00139	n/a
35	0.00166	0.00279	n/a	0.00172	0.00302	n/a
45	0.00410	0.00812	n/a	0.00396	0.00722	n/a
55	0.01054	0.02336	n/a	0.00870	0.01813	n/a

**Unitised policies with additional Lifecare (critical illness) benefit**

Specimen critical illness inception rates used at both 31 December 2008 and 31 December 2007 are set out in the following table. The rates are based on reinsurers' risk premium rates.

Age	Males			Females		
	Non-smoker	Smoker	Aggregate	Non-smoker	Smoker	Aggregate
<u>Low Cost Homebuyers' Plan &amp; Homebuyers' Investment Plan (pre-1998)</u>						
25	0.00038	0.00060	0.00044	0.00043	0.00059	0.00048
35	0.00080	0.00144	0.00099	0.00107	0.00159	0.00122
45	0.00289	0.00525	0.00362	0.00252	0.00400	0.00296
55	0.00829	0.01503	0.01037	0.00643	0.00955	0.00734
<u>Low Cost Homebuyers' Plan &amp; Homebuyers' Investment Plan (1998 and after)</u>						
25	0.00035	0.00055	0.00041	0.00040	0.00055	0.00044
35	0.00074	0.00133	0.00092	0.00099	0.00147	0.00113
45	0.00268	0.00486	0.00335	0.00233	0.00370	0.00274
55	0.00768	0.01392	0.00960	0.00595	0.00884	0.00680
<u>Multiplan (pre-1998)</u>						
25	0.00041	0.00063	0.00048	0.00046	0.00063	0.00051
35	0.00083	0.00147	0.00103	0.00110	0.00162	0.00125
45	0.00293	0.00528	0.00365	0.00255	0.00403	0.00299
55	0.00833	0.01507	0.01040	0.00646	0.00958	0.00738
<u>Multiplan (1998 and after)</u>						
25	0.00038	0.00059	0.00044	0.00043	0.00058	0.00047
35	0.00077	0.00137	0.00095	0.00102	0.00150	0.00116
45	0.00271	0.00489	0.00338	0.00236	0.00373	0.00277
55	0.00771	0.01395	0.00963	0.00598	0.00887	0.00683

**Individual Lifetime Care Plans**

The tables for claim inception rates used in the multi-state model to value the long term care benefit under these contracts have been constructed based on the experience of the office for all years up to and including 2007. There is an adjustment to the base tables of 10% of the morbidity rates to act as a prudent margin. The model assumes no recoveries.

There are three claim states used within the model, defined by the state of health of each policy in claim. The state of health is assessed through the failure of a number of Activities of Daily Living (ADLs), such as washing or dressing. In addition, a life can become a claim through a cognitive impairment.

Specimen independent base morbidity rates to the three claim states for females are as follows:

Age	2ADL 2008	3ADL+ 2008	Cognitive 2008	2ADL 2007	3ADL+ 2007	Cognitive 2007
25	0.00015	0.00016	0.00024	0.00015	0.00016	0.00024
35	0.00015	0.00016	0.00024	0.00015	0.00016	0.00024
45	0.00015	0.00016	0.00024	0.00015	0.00016	0.00024
55	0.00046	0.00047	0.00071	0.00049	0.00051	0.00075

Specimen independent base morbidity rates to the three claim states for males are as follows:

Age	2ADL 2008	3ADL+ 2008	Cognitive 2008	2ADL 2007	3ADL+ 2007	Cognitive 2008
25	0.00008	0.00028	0.00020	0.00009	0.00028	0.00019
35	0.00008	0.00028	0.00020	0.00009	0.00028	0.00019
45	0.00008	0.00028	0.00020	0.00009	0.00028	0.00019
55	0.00021	0.00076	0.00055	0.00026	0.00080	0.00055

Note: - very little business is covered by the specimen rates required by IPRU(INS) Rule 9.31(a). The average age for this product is around 77. Specimen independent base morbidity rates for the average age are as follows:

Age 77	2ADL 2008	3ADL+ 2008	Cognitive 2008	2ADL 2007	3ADL+ 2007	Cognitive 2007
Female	0.00366	0.00434	0.00596	0.00378	0.00392	0.00581
Male	0.00183	0.00597	0.00535	0.00211	0.00581	0.00541

### Individual Lifetime Care Bond

The valuation model assumes there are no recoveries once in claim. This is prudent as reserves are released on recoveries.

Specimen inception rates for the provision of long term care benefits, which are the same for 2007 and 2008, are shown below split by gender and cover type.

Age	Male Diamond Cover	Male Premier Cover	Male Select Cover	Female Diamond Cover	Female Premier Cover	Female Select Cover
25	0.00045	0.00045	0.00045	0.00045	0.00045	0.00045
35	0.00045	0.00045	0.00045	0.00045	0.00045	0.00045
45	0.00045	0.00045	0.00045	0.00045	0.00045	0.00045
55	0.00139	0.00139	0.00087	0.00100	0.00100	0.00075

Note: - very little business is covered by the specimen rates required by IPRU(INS) Rule 9.31(a). The average age for this product is around 74. Specimen inception rates for the average age are as follows:

Age	Male Diamond Cover	Male Premier Cover	Male Select Cover	Female Diamond Cover	Female Premier Cover	Female Select Cover
74	0.00990	0.00990	0.00646	0.00804	0.00804	0.00559

### (6) Expenses

Gross annual per policy expense levels assumed to apply for the specified products are set out below. These are based on the actual fees payable to AXA Sun Life Services plc under the Management Services Agreement, and have been uplifted in respect of expenses not covered by the Agreement. A further uplift has been included for business within the With Profits funds to make prudent allowance for the outcome of a fee review under the terms of the Agreement, which is due to be implemented during 2009, but which has not yet been completed.

During 2008, the decision was taken to recharge certain project costs explicitly back to the Life Company. However, due to the discretionary nature of the projects being recharged to ASL, no allowance is made in the reserves for future project costs.

Product	Product codes	31 December 2008 £ p.a.	31 December 2007 £ p.a.
<i>Conventional With Profits</i>			
Endowment (savings)	120	14.74	13.88
Endowment (target cash)	125	49.12	46.27
Pensions	155, 165	49.12	46.27
<i>Non-profit</i>			
Term assurance	325, 330	26.52	24.98
Critical illness	340 – 355	26.52	24.98
Income protection	360, 365	26.52	24.98
Annuity	400	24.56	23.13

<b>Product</b>	<b>Product codes</b>	<b>31 December 2008 £ p.a.</b>	<b>31 December 2007 £ p.a.</b>
<b><i>Unitised with profits</i></b>			
Bonds	500	49.12	46.27
Endowment (savings)	510	36.84	34.70
Endowment (target cash)	515	49.12	46.27
Individual pensions (regular premium)	525	98.24	92.53
Individual pensions (single premium)	525	24.56	23.12
Group pensions (regular premium)	535	49.12	46.27
Group pensions (single premium)	535	18.66	23.13
<b><i>Unit-linked</i></b>			
Bonds	700	49.12	46.27
Endowment (savings)	715	49.12	46.27
Endowment (target cash)	720	49.12	46.27
Individual pensions (regular premium)	725	49.12	46.27
Individual pensions (single premium)	725	18.66	17.58
Group pensions (regular premium)	735	18.66	17.58
Group pensions (single premium)	735	18.66	17.58

Where different expense assumptions apply to groups of policies within the above product types, the assumption shown is that relating to the largest group by number of policies. This explains the unusual change in group 535 from last year. In the case of individual and group pensions, paid-up policies have been treated as single premium, as the expense assumptions are the same for these groups.

For each product, per policy expenses are identical for unitised with profits and unit-linked policies. Differences in assumptions shown above arise where the largest group of unitised with profits is a different product from the largest group of unit-linked policies.

For with profits and non-profit business, provision for gross investment expenses is made by way of a margin between the yield on the assets and the valuation rate of interest. The margins are:

With profits business	0.21% p.a.
Non-profit business	0.12% p.a.

For unit-linked business, the assumed gross investment expenses are the following percentages of fund size:

Life business	0.22% p.a.
Pensions business	0.23% p.a.

For life business, tax relief on the above expense assumptions is assumed at the rate of 20%.

### **(7) Inflation rate and unit growth rates**

The future inflation rate assumed in the valuation is 3.00% per annum for annuity business and 2.25% per annum for non-annuity business.

Expense inflation is assumed to be 4.00% per annum for annuity business and 3.25% per annum for non-annuity business.

The unit growth rates assumed in the calculation of non-unit reserves for unit-linked business are:

Life business	4.00% p.a. (net of tax)
Pensions business	4.75% p.a.

### **(8) Future bonus rates**

No future bonus rates have been assumed in the gross premium valuation of conventional with profits business or in the valuation of unitised with profits business except where guaranteed.



## (9) Lapse, surrender and conversion to paid-up

The following average annual rates of lapse, surrender and conversion to paid-up have been assumed:

Product		Average lapse / surrender /paid-up rate for the policy years			
		1-5 % p.a.	6-10 % p.a.	11-15 % p.a.	16-20 % p.a.
Level term	lapse	0	0	0	0
Decreasing term	lapse	0	0	0	0
Accelerated critical illness	lapse	0	0	0	0
CWP savings endowment	surrender	7.3	5.1	2.4	1.7
CWP target cash endowment	surrender	0.7	0.7	0.7	0.7
UWP savings endowment	surrender	5.1	5.3	6.0	5.3
UWP target cash endowment	surrender	8.3	8.5	5.9	4.0
UL savings endowment	surrender	3.3	4.1	9.6	6.7
UL target cash endowment	surrender	9.7	9.7	7.5	7.3
UWP Bond – with surrender penalty	surrender	0.9	8.0	8.0	8.0
UWP Bond – without surrender penalty	surrender	8.0	8.0	8.0	8.0
UWP Bond	automatic withdrawals	100% of current	100% of current	100% of current	100% of current
UL Bond	surrender	1.1	8.0	8.0	8.0
UL Bond	automatic withdrawals	100% of current	100% of current	100% of current	100% of current
CWP pension regular premium	PUP	0	0	0	0
CWP pension regular premium	surrender	0	0	0	0
CWP pension single premium	surrender	0	0	0	0
UWP individual pension regular premium	PUP	0	0	0	0
UWP individual pension regular premium	surrender	0	0	0	0
UWP individual pension single premium	surrender	0	0	0	0
UL individual pension regular premium	PUP	0	0	0	0
UL individual pension regular premium	surrender	See note 1.			
UL group. Pension regular premium	PUP	0	0	0	0
UL group pension regular premium	surrender	See note 1.			
UL individual pension single premium	surrender	See note 1.			

Note 1: The surrender rates used for UL pension products vary between term gone and term-to-go. It is not representative to combine the rates for these different products in the format required.

Where different persistency assumptions apply to groups of policies within the above product types, the assumptions shown relate to a group which represents more than 50% of the total reserves for the product type. In particular, the surrender rates for UWP individual pensions are shown as nil, as more than 50% of reserves for such policies relate to a group of policies for which no surrender assumption is made. Surrender rates are assumed for other policies of this type.

For classes where it is prudent to do so (mainly group pensions business), the payment of future premiums is ignored in determining the non-unit reserve. Other than this, no allowance is made for conversion to paid-up.

## (10) Other material assumptions

There are no assumptions not stated elsewhere that are considered to be material to the results of the valuation.

## (11) Derivative contracts

In determining the liabilities, no allowance has been made for derivative contracts, including the swaptions purchased to hedge guaranteed annuity liabilities.

## (12) Impact of changes in valuation rules effective from 31 December 2006

No further changes have been made since the previous valuation.

## 5. Options and guarantees

The valuation bases set out in section 5 relate to options and guarantees in respect of groups of products where the basic reserves exceed £10m. The grouping of products is that relevant to the particular option or guarantee.

### (1) Guaranteed Annuity Rate options

- (a) For most pensions contracts with a Guaranteed Annuity Rate option at retirement, a stochastic model has been used to value the option. The model used is the same as that used in the realistic valuation and described in the report on that valuation, and the economic scenario generation assumptions were calibrated to 97.5% of risk-free yields, in line with requirements for yields used in regulatory valuations. The assumed take-up rate for the option, when in the money, is 95% at all durations in all scenarios. The assumed mortality basis in payment is based on 82.5% of PCMA00 with 100% medium cohort improvements subject to a 1.7% floor for males, and 75% of PCFA00 with 75% medium cohort improvements subject to a 1.5% floor for females. For practical reasons an equivalent one-dimensional table is used.

For a few minor classes the stochastic model is not used, and the liabilities are taken as the result of a deterministic valuation using corresponding assumptions, but assuming 100% take-up.

(b)

Product	Basic reserve £m	Outstanding durations (years)			Guarantee reserve £m	Guaranteed annuity rate (annuity p.a. per £100 cash sum)	Open to increments
		Minimum	Median	Maximum			
Endowment Plans	204	0	5	30	175	11.00	No
Multipension	302	0	9	28	201	9.39	In certain circumstances

The specimen guaranteed annuity rates shown above are for a male aged 65. The annuity is a non-increasing single life annuity, payable monthly for a minimum period of five years. Payments are in advance for conventional policies and in arrears for Multipension. Annuities on equivalent terms to those indicated above are available on an increasing or joint lives basis or with other payment frequencies or other minimum payment periods.

Guaranteed annuity rates are applicable on early or late retirement at any age permitted by the terms of the policy. The relevant rates are determined on the same basis as that applicable at the normal retirement date, allowing for the age at retirement.

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

- (a) Certain unitised with profits pensions policies include a provision that no market value reduction (MVR) will be applied on early retirement within five years of the normal retirement date, in respect of regular premiums that have been paid or single premiums that have been invested for at least five years at the early retirement date. The method used to determine the basic reserves, described in 4.(1), explicitly makes allowance for this provision, and no separate additional reserve is required.

Unitised with profits pensions policies invested in the Group With Profits Fund include a provision that no MVR will apply on discontinuance in certain specified circumstances, for example on early retirement or following leaving service. In consequence, the basic reserves for policies invested in this fund make no allowance for the application of MVR at any time, and no separate additional reserve is required in respect of the provision.

Certain Low Cost Homebuyers' Plans (LCHP) and Homebuyers' Investment Plans (HIP) effected since 1998 include a provision whereby a guaranteed amount may be payable on the maturity date. The guarantee may be selected ten years before the maturity date, and if selected the premium must be increased where necessary to a level advised by the Company at the time. Furthermore, for HIP invested

in unit-linked funds, the plan must be switched to unitised with profits. In the case of LCHP, for all plans where the guarantee is in force, the guaranteed amount in respect of this provision does not exceed the normal guaranteed amount at maturity, taking into account the Guaranteed Interest Rate. The basic reserves are therefore sufficient to cover the value of the guarantee. In the case of HIP, there is one plan with the guarantee in force, for which no additional reserves are required. In the case of plans that are more than ten years from the maturity date, including HIP currently invested in unit-linked funds, the terms on which the increase in premium is determined if the guarantee is selected are currently, and it is intended will remain, such as to ensure that no additional reserve will be necessary at the time the guarantee comes into force, taking into account the explicit allowance in the basic reserve for the Guaranteed Interest Rate for LCHP and the provision that no MVR will apply at maturity date. It is therefore considered that the basic reserve is sufficient to cover the value of the prospective guarantee for such plans.

- (b) All guaranteed surrender values affecting groups of policies where the basic reserve exceeds £10m have been explicitly valued within the calculation of the basic reserve, as described above.

### **(3) Guaranteed insurability options**

- (a) The main guaranteed insurability options permit the increase or replacement of cover under unit-linked and unitised with profits policies, subject to specific conditions, for example when the maturity value of an endowment assurance is increased in respect of a mortgage advance, or on the birth of a child to the policyholder. No additional reserve is deemed necessary for such options for the following reasons:
- the conditions for the exercise of each option are limited to specified circumstances, which might normally imply good health
  - mortality charges include a prudent margin which would cover a worsening of experience
  - policy conditions permit future amendments to mortality charges based on experience

- (b) There are no conversion or renewal options where the total sum assured exceeds £1bn.

### **(4) Other guarantees and options**

Certain with profits Flexible T-Plans and Multipensions include a provision that the annuity secured on retirement at State Pensionable Age will not be less than the amount of Guaranteed Minimum Pension accrued in respect of contracting out of the State Earnings Related Pension Scheme.

These guarantees are generally significantly in the money, and additional reserves are determined for each policy equal to the excess of the value of the annuity over the basic reserve. The assumed mortality basis in payment is based on 82.5% of PCMA00 with improvement factors of 100% medium cohort and a 1.7% floor for males, and 75% of PCFA00 with improvement factors of 75% medium cohort and a 1.5% floor for females. For practical reasons, an equivalent one-dimensional table is used. Interest in payment is 3.20% p.a. The assumed take-up rate for the guarantee is 100%. The basis during deferment is the normal basis for unitised with profits pensions policies.

Basic with profits reserve for policies with the guarantee:	£16m
Additional reserve in respect of the guarantee:	£8m

## **6. Expense reserves**

### **(1) Expense loadings**

The aggregate amount (gross of tax) arising during the year following the valuation date from implicit and explicit reserves made in the valuation to meet expenses in fulfilling contracts in force at the valuation date is £151.5m, after allowing for expenses recovered through the reinsurance arrangement with SLAS. This amount arises from the following sources:

- (i) explicit expense assumptions in the valuation amounting to £82.0m; and
- (ii) the amount implicitly provided for investment expenses by deductions from yields when establishing the valuation interest rates, amounting to £69.5m.

Renewal commission is not included in this amount.

### **(2) Implicit expense allowances**

The implicit allowance in respect of investment expenses was determined by multiplying the relevant amounts of reserves by the rates of deduction from yields.

### **(3) Comparison with Form 43**

The introduction of Financial Reporting Standard 26 in 2006 requires initial transaction costs on assets to be shown as investment expenses in the statutory accounts and, these expenses, amounting to £48.6m, have been included in line 44 of Form 43. The valuation implicitly assumes that there will be no future asset turnover, so no allowance is made for expenses of this nature.

During 2008, the decision was taken to recharge certain project costs explicitly to the Company. However, due to the discretionary nature of the projects being recharged to ASL, no allowance is made in the reserves for future project costs.

After allowing for initial transaction costs on assets and project charges, the amount of maintenance expenses is slightly lower than that shown at line 44 of Form 43. The main reasons for the difference are:

- the investment expenses incurred in respect of assets in excess of the total reserves
- the reduction in the number of policies in force.

### **(4) New business expense overrun**

Current product terms are sufficient to recover expenses in respect of new business, and no new business expense overrun reserve is required in respect of the expenses of continuing to transact new business during the 12 months following the valuation date.

### **(5) Maintenance expense overrun**

No maintenance expense overrun reserve is deemed necessary. The reserves include explicit allowance for meeting the expenses likely to be incurred in future in fulfilling existing contracts, on the basis that servicing expenses will continue to be in line with fees charged by AXA Sun Life Services plc (ASLS), increased in line with the assumed inflation rate. It is assumed that the same level of per policy expenses would apply following closure to new business. No redundancy costs have been allowed for, as these would be met by ASLS. The costs of terminating the management services agreement with ASLS have not been allowed for as it is assumed that the agreement will continue in force.

### **(6) Non-attributable expenses**

All expenses have been treated as attributable.

## 7. Mismatching reserves

### (1) Analysis of reserves by currency

The mathematical reserves in respect of liabilities denominated in sterling (other than liabilities for property linked benefits) amount to £6,483m. An analysis by currency of the matching assets is set out in the following table.

Currency of asset	Value of assets £m
Sterling	5,556
Euro	359
U.S. Dollar	284
Japanese Yen	124
Other	160
Total	6,483

### (2) Other currency exposures

The mathematical reserves in respect of liabilities denominated in currencies other than sterling amount to £59m. The proportion of these liabilities that is matched by assets in the same currency as the liability is 71%.

### (3) Currency mismatching reserve

No reserve is deemed necessary in respect of currency mismatching. The backing of liabilities by assets in a different currency relates to the exposure of with profits contracts to investments in a range of currencies.

### (4) Most onerous scenario under INSPRU 3.1.16R

INSPRU 3.1.16R does not apply to the Company. See 7.(6).

### (5) Most onerous scenarios under INSPRU 3.1.23R

INSPRU 3.1.23R does not apply to the Company. See 7.(6).

### (6) Amount of resilience capital requirement

The Company is not required to determine a resilience capital requirement, as it is not a regulatory basis only life firm.

### (7) Additional reserve arising from INSPRU 1.1.34(2)

Based on an analysis of expected cash inflows from assets held and future regular premiums and expected cash outflows from insurance liabilities as they fall due, it is believed that the assets held to cover the technical provisions and other long-term insurance liabilities are of a sufficient amount, and of an appropriate currency and term, to ensure that the cash inflows will meet the expected cash outflows without requiring any additional reserve.

## 8. Other special reserves

The following special reserves exceed £10m.

### *Reorganisation Bonus*

The Company has an obligation to make payments of Reorganisation Bonus, as required by the Reorganisation Scheme governing the Company. The total reserves for this liability are £137.4m. These are included within the reserves for the relevant classes of with profits business on Forms 51 and 52.

The reserves are equal to the balance of the 'RBM Account', which under the Reorganisation Scheme records the value of the obligation to policyholders in the New With Profits Fund, together with further amounts representing:

- Reorganisation Bonuses payable in respect of policies in the Old With Profits Fund; and
- the value of future transfers made subject to rule INSPRU 1.5.27R in respect of the payment of Reorganisation Bonuses.

### ***LTC Review Provision***

A premium review of Lifetime Care plans written between 1992 and 2004 revealed that significant contribution increases were required to maintain benefit levels. This is as a result of adverse changes to future expected claims. A large number of complaints were made in response to these premium reviews.

A provision of £17.1m is held to meet the future costs of the complaints handling process and the cases where complaints are upheld. This provision has been calculated based on the number of complaints outstanding at the valuation date.

### ***Tax Equalisation Provision***

For unit linked life contracts effected on or after 1<sup>st</sup> January 1977, the prospective liability for tax on unrealised capital gains is allowed for in the unit pricing. However a Tax Equalisation Provision of £21.3m is held to meet future liability to tax which may arise on account of timing differences in the payment of tax on disposal of investments.

### ***Reinsurance Default Provision***

A global provision is held within ASL to cover the risk of default on external reinsurance arrangements. This provision is calculated based on historic default rates by S&P rating, and adjusted to reflect any expected worsening of future conditions. The assumptions for expected future defaults is broadly in line with those used to calculate credit risk adjustments to yields in section 4.(3).

At December 2008, a provision of £14.3m was held in respect of ASL external reinsurance arrangements.

## **9. Reinsurance**

### **(1) Facultative reinsurance to reinsurers not authorised in the UK**

During 2008 no reinsurance business was ceded on a facultative basis to reinsurers not authorised to carry on insurance business in the UK.

### **(2) Reinsurance treaties**

Details of reinsurance treaties under which the Company is the cedant and either the premiums payable to the reinsurer during 2008 or the reduction in mathematical reserves in respect of the reinsurance exceed £10m are contained in the following table.

Reinsurer	Nature and extent of cover	Premiums payable during 2008 £m	Whether treaty closed to new business	Reduction in mathematical reserves £m
Swiss Re Life & Health Ltd	<p>A single treaty covering:</p> <p><u>Regular Premium Individual Lifetime Care Plans</u></p> <p>Benefits on an original terms quota share basis for plans written prior to 1st April 1998. Benefits on a risk premium quota share basis for plans written on or after 1st April 1998 and prior to 1 January 2002, and increments to such plans. The cover is 70% of each benefit up to £60,000 p.a., 100% of the excess over £60,000 p.a.. The cover for original terms policies following a policy review has changed to 67% of each benefit.</p> <p><u>Individual Permanent Health Insurance</u></p> <p>Benefits on an original terms, quota share and surplus basis. The cover is 2/3rds of each benefit up to £18,000 p.a., and 100% of the surplus above £18,000 p.a. to a maximum of £50,000 p.a..</p> <p><u>Individual Level Term Assurance and Individual Critical Illness</u></p> <p>Death and/or Critical illness risks on an original terms surplus basis in excess of the Company's retention of £15,000.</p>	5.5	Yes	38
General Cologne Life Re (UK) Ltd	<p>Single Premium Individual Lifetime Care Plans</p> <p>Benefits on an original terms quota share basis for plans written after 1st September 1994 and prior to 1st July 1997, and a risk premium quota share basis for plans written on or after 1st July 1997 and prior to 16th August 2004. The cover is 50% of each benefit up to £60,000 p.a., 100% of the excess over £60,000 p.a.. The cover for original terms policies following a policy review has changed to 50% of the benefit covered by the original premium.</p>	0.1	Yes	2
Kolnische Ruckversicherungs-Gesellschaft AG	<p>Single Premium Individual Lifetime Care Plans</p> <p>Benefits on an original terms quota share basis for plans written after 1st September 1994 and prior to 1st July 1997, and a risk premium quota share basis for plans written on or after 1st July 1997 and prior to 16th August 2004. The cover is 50% of each benefit up to £60,000 p.a., 100% of the excess over £60,000 p.a.. The cover for original terms policies following a policy review has changed to 50% of the benefit covered by the original premium.</p>	1.7	Yes	37
SCOR Global Life Reinsurance UK Ltd	<p>Regular Premium Term Assurance (mortality only) quota share for level and decreasing plans written from 1<sup>st</sup> June 2006. Terms are to reinsure 50% of the first £10m.</p>	1.6	No	45

Reinsurer	Nature and extent of cover	Premiums payable during 2008 £m	Whether treaty closed to new business	Reduction in mathematical reserves £m
SCOR Global Life Reinsurance UK Ltd	Regular Premium Term Assurance (stand alone or accelerated critical illness only) quota share for level and decreasing plans written from 1 <sup>st</sup> June 2006. Terms are to reinsure 40% of the first £0.5m.	4.0	No	48
RGA Reinsurance UK Ltd	Regular Premium Term Assurance (mortality only) quota share for level and decreasing plans written from 1 <sup>st</sup> June 2006. Terms are to reinsure 4% of the first £10m.	0.2	No	4
RGA Reinsurance Company (Barbados) Ltd	Regular Premium Term Assurance (mortality only) quota share for level and decreasing plans written from 1 <sup>st</sup> June 2006. Terms are to reinsure 36% of the first £10m.	1.3	No	32
Partner Re	Regular Premium Term Assurance (stand alone or accelerated critical illness) quota share for level and decreasing plans written from 1 <sup>st</sup> June 2006. Terms are to reinsure 20% of the first £0.5m.	1.8	No	24
Pacific Life	Regular Premium Term Assurance (stand alone or accelerated critical illness) quota share for level and decreasing plans written from 1 <sup>st</sup> June 2006. Terms are to reinsure 20% of the first £0.5m.	1.7	No	24
AAC	Original terms reinsurance of 100% of benefits for annuity business.	135.0	No	1,261
Unit Reassurance	Linked benefits where the member has chosen to invest in the funds of the below companies on a 100% quota share basis:		No	
	Winterthur Life UK	316.8		282
	Baillie Gifford Life	0.1		57
	Barclays Global Investors	0.7		17
	Aviva Collective Investments	3.1		13

In respect of the above treaties:

- No amounts have been deposited under any deposit back arrangements.
- There are no undischarged obligations of the Company other than outstanding reinsurance premiums.

With the exceptions of Kolnische Ruckversicherungs-Gesellschaft AG and RGA Reinsurance Company (Barbados) Ltd, the above companies are authorised to carry out insurance business in the UK.

With the exception of AAC and Winterthur Life UK, the reinsurers are not connected with the Company.

The Company has credit risk exposure to each of the above reinsurers. The exposure does not exceed internal exposure limits, taking account of the rating of each reinsurer. A separate reserve is held in respect of the possibility of default of external reinsurance counterparties.

There are no legal disputes at the present time in connection with the Company's reinsurance treaties, and it is not believed that these treaties present any material legal risk or other risks.

No provision is made for the liability of the Company to refund any amounts of reinsurance commission in the event of lapse or surrender of contracts, as in each case the amount of such refund is less than the amount of premium refundable, if any, by the reinsurer.



Historically SLAS has provided new business financing in respect of regular premium business reassured to the Company. The outstanding amount of the Company's undischarged obligation at the valuation date was £94.0m. This is repayable monthly out of surplus arising on the business being financed. It should be noted that this financing is provided by a company within the AXA Group, and the disclosures in this section and in Form 3 lines 91-95 should be viewed with this in mind.

This undischarged obligation has not been taken into account in the valuation because it is repayable out of margins in the policies financed. No allowance has been made for contingencies associated with this arrangement for the purposes of the return.

## 10. Regular bonus

Name of Bonus Series	Mathematical Reserves £m	Bonus Rate for 2008	Bonus Rate for 2007	Guaranteed Rate for 2008 <sup>6</sup>
<b>Conventional With Profits</b>				
Conventional Life Series 1 <sup>1</sup>	23	1.18%/0.00%	1.18%/0.00%	-
Conventional Life Series 2	133	1.00%	1.00%	-
Top Flight and Moneysaver	417	2.00%	2.00%	-
Postal Staff Scheme	20	1.25%	1.25%	-
Conventional Pensions	302	0.00%	0.00%	-
Retirement Savings Schemes	308	1.50%	1.50%	3.00%
<b>Unitised With Profits<sup>2</sup></b>				
Investment Bond and Flexible Bond	1,202	3.25%	3.25%	-
With Profits Income Bond	13	3.75%	3.75%	-
Individual Savings Account <sup>3</sup>	13	4.50%	4.45%	-
Low-Cost Homebuyers' Plan	575	0.75%	0.50%	3.00%
Multivestor	22	1.45%	0.55%	1.75%
Multiplan	17	4.18%	3.25%	-
Multipension Series 2	1,172	0.00%	0.00%	4.00%
Multipension Series 3	350	2.50%	2.20%	-
Flexible Pensions:				
Group WP fund	20	3.50%	4.50%	-
with GMP guarantee	24	1.75%	2.75%	-
Other <sup>4</sup>	96	2.25%	3.25%	-
Other Trustee Plans	26	3.97%	3.25%	-
Pensions 1997 series <sup>5</sup>	110	3.00%	2.95%	-
Pensions 1999 series	48	3.00%	2.90%	-
Pensions 2000 & 2002 series <sup>3</sup>	80	4.00%	3.95%	-
Retirement Investment and Income Plan	26	3.50%	3.45%	-
Amulet (other than Investment Plan)	16	4.50%	4.00%	-
AXA Isle of Man Bonds:				
Series 3 (Sterling)	106	4.00%	4.00%	-
Series 3 (Euro)	30	3.50%	3.50%	-
Series 3 (Dollar)	27	4.00%	4.00%	-

### Notes:

- <sup>1</sup> For Conventional Life Series 1, the rate of bonus is a percentage of sum assured dependent on the age of the policyholder at outset. The rates stated above are weighted averages. The second rate stated is the rate of bonus on attaching bonus.
- <sup>2</sup> Unitised with profits bonus rates (except for Flexible Pensions) correspond to the increase in unit price during the year. Where bonus rates have changed during the year, the rate stated therefore represents an average of bonus rates weighted by period in force.
- <sup>3</sup> The bonus rates for Individual Savings Account, Pensions 2000 and 2002 Series and Amulet (other than Investment Plan) are before deduction of management charges.

- 4 The rates stated above are for accumulation units. The corresponding rates for capital units were 0.00% for both 2008 and 2007.
- 5 For Pensions 1997 Series, where commission is payable as a defined percentage of the fund, the above bonus rate is reduced by the relevant percentage.
- 6 The guaranteed bonus rate is in addition to the base bonus rate declared.

**NAME OF INSURER: AXA SUN LIFE PLC**

**IPRU(INS) RULE 9.31(b) - APPENDIX 9.4A**

**ABSTRACT OF VALUATION REPORT FOR REALISTIC VALUATION**

**1. Introduction**

- (1) The actuarial investigation relates to a valuation date of 31 December 2008.
- (2) The valuation date of the previous valuation was 31 December 2007.
- (3) An interim valuation was carried out on 30 June 2008.

**2. Assets**

- (1) The economic assumptions used in calculating the future profits on non-profit business are as follows:

<b>This financial year</b>	
Investment return	Risk-free rate calibrated to the gilt yield curve plus 10 basis points.
Expense inflation	Price inflation + 1% p.a., where the price inflation curve is calibrated to RPI
Discount rate	For profits emerging on non-profit business: risk-free rate + 150 basis points p.a. For release of long-term insurance capital component: risk-free rate

<b>Preceding financial year</b>	
Investment return	Risk-free rate calibrated to the gilt yield curve plus 10 basis points.
Expense inflation	Price inflation + 1% p.a., where the price inflation curve is calibrated to RPI
Discount rate	For profits emerging on non-profit business: risk-free rate + 150 basis points p.a. For release of long-term insurance capital component: risk-free rate

Note: 1 basis point = 0.01%

- (2) No amounts have been included in the realistic value of assets under INSPRU 1.3.33R(2).
- (3) No business is written outside the with profits fund.
- (4) A single set of economic assumptions has been used in valuing the non-profit contracts.
- (5) Not applicable.

### 3. With Profits Benefits Reserve Liabilities

- (1) The table below shows the With Profits Benefits Reserve and the future policy related liabilities for each group of contracts with materially different guarantees and options.

	NWPF		OWPF	
	With Profits Benefit Reserve (£m)	Future policy related liabilities (£m)	With Profits Benefit Reserve (£m)	Future policy related liabilities (£m)
<b>Retrospective method (asset share)</b>				
UWP Bonds (no MVR-free date)	1,006	213	154	32
UWP Regular Premium Life	507	181	86	32
UWP Pensions (no minimum bonuses or GARs)	584	159	135	34
UWP Pensions with minimum bonuses but no GARs	378	166	110	51
UWP Pensions with minimum bonuses and GARs	229	217	51	47
Conventional Life	485	229	135	56
Conventional Pensions	74	138	17	40
ISA	8	0	1	0
Other	0	0	0	0
<b>Prospective method (regulatory reserve)</b>				
Retirement Savings Scheme	326	0	19	0
Other	6	0	0	0
<b>Total</b>	<b>3,605</b>	<b>1,303</b>	<b>709</b>	<b>292</b>

- (2) The total amounts of the With Profits Benefits Reserve in the table above correspond to the amounts shown in Form 19, Line 31. The future policy related liabilities in the table above reconcile to Form 19, Line 49 as shown below. For details of the reconciling items, refer to Sections 8 and 11 of this Report.

£m	NWPF	OWPF
Future Policy Related Liabilities, from above table	1,303	292
Reorganisation Bonus	124	14
Tax and expense liability on assets in excess of asset share	33	7
Future Policy Related Liabilities, Form 19, Line 49	1,460	313

### 4. With Profits Benefits Reserve – Retrospective method

- (1) In all cases where a retrospective method (i.e. asset share) is used, this is calculated on a policy by policy basis.
- (2) No significant changes have been made to the valuation method since the previous valuation.
- (3) The basis of allocating expenses to the with profits funds in the valuation is given below.

Fees are paid to AXA Sun Life Services plc (ASLS) for management, administration, marketing and sales services, as defined in the Service Agreements between ASL and ASLS. These fees are charged to asset shares and are adjusted annually as at 1 January, again as defined in the Service Agreements. The amounts of such fees, split between initial and maintenance expenses, for the full year 2008 are shown below.

Fees paid to the investment managers for the same period are also shown below. Those in respect of with profits policies are charged to asset shares, as a percentage of the asset share representing the average fee level including an allowance for performance fees.

Some expenses met directly by the fund, such as regulatory fees, are charged to asset shares. These are apportioned between individual policies using a method that is believed to be equitable.

Also shown below are the expenses that have been charged to the with profits fund during 2008, but which are not charged to asset shares. These are mainly initial and renewal fees in respect of non-profit business, investment management fees in respect of non-profit business and other assets in excess of asset shares, plus certain exceptional costs.

Further details of the basis of allocating expenses to the with profits fund are given in the Principles and Practices of Financial Management (PPFM).

The table below shows the expenses incurred by the fund in 2008:

<b>£m</b>	<b>NWPF</b>	<b>OWPF</b>
Initial fees chargeable to asset shares	1.6	0.2
Maintenance fees chargeable to asset shares	10.4	2.0
Investment fees chargeable to asset shares	14.1	2.7
Other expenses chargeable to asset shares	1.2	0.2
Expenses on non-profit contracts	7.0	0.6
Other expenses not chargeable to asset shares	6.4	2.0

- (4) During 2008, no significant charges for guarantees or cost of capital have been made to asset shares. As indicated in the PPFM, this practice is reviewed periodically and is subject to change.
- (5) No charges have been deducted from the funds for non-insurance risk.
- (6) The ratio of claims paid to underlying asset shares for with profits insurance contracts over the three year period are:

<b>Year</b>	<b>Average Payout ratio</b>
2008	116%
2007	103%
2006	102%

- (7) For the full year 2008, the investment return before tax and expenses for both New and Old With Profits Funds was -18.1%.

For most UWP policies, the gross return applied to asset shares was -20.3%. For such policies approaching the end of their policy term, a different rate was applied. This varied from -5.3% to -20.3% depending on product type and unexpired term. The return applied to conventional with profits business was -16.2%.

Further details of how returns are applied to asset shares are given in the PPFM.

## 5. With Profits Benefits Reserve – Prospective method

For Retirement Savings Scheme a prospective method is used rather than asset share, with the with profits benefit reserve calculated deterministically using realistic assumptions including an allowance for future bonuses. The approach assumes a risk-free investment return and discount rate consistent with table 6 (4) (a) (iii), annual bonuses and additional interest totalling 1.50% p.a. in addition to the guaranteed return, expense inflation at the regulatory assumption of 3.25% p.a., an expense of £116 p.a. per person, per policy charges of £28 p.a. per person (£38 if premiums ceased) and no future lapses. It is assumed that the with profits benefits reserve determined in this way is sufficient to cover any cost of guarantees and smoothing on this contract.

For other classes where a prospective method is used rather than asset shares, the with profits benefit reserve is set equal to the regulatory reserve.

## 6. Costs of guarantees, options and smoothing

- (1) Not applicable.
- (2) For all products where the valuation of guarantees, options and smoothing is carried out using a full stochastic model, grouped data is used. Contracts are grouped according to their major product features, term gone and term to go, policyholder age and the extent to which guarantees are in or out of the money.

	<b>Policies</b>	<b>Experience Model Points</b>
<b>NWPF</b>	476,219	1,692
<b>OWPF</b>	118,546	742

The results from the stochastic model using grouped data are validated against the results from a closed-form model using individual data. An approximate upward adjustment has been made to the cost of guarantees and smoothing to allow for the estimated grouping error.

- (3) A revised version of the liability projection model has been used. It contains an improvement to the terminal bonus smoothing algorithm. The amended model exhibits a quicker reversion towards the long term target payout ratio following volatile market movements and therefore better reflects the Company's smoothing policy. Manual adjustments which were held in the December 2007 Realistic Balance Sheet in anticipation of this model change have now been removed.

(4) (a) (i) The liabilities being valued using a full stochastic approach are:

- The guarantee that no market value reduction will be applied on maturity or on death. The extent to which these options are in the money at the valuation date depends on the ratio of guaranteed benefits to asset share for each policy at that date, and varies both across and within lines of business. On average, the ratio of the present value of guaranteed benefits to asset share varies from around 111% for policies close to maturity to 113% for policies with more than 20 years to go.
- The guarantee that no market value reduction will be applied on regular income withdrawals that are within the limits defined in the contract terms.
- Guaranteed annuity rates (GARs), which offer an annuity calculated on guaranteed terms on normal and early retirement. These options are currently in the money.
- The cost of smoothing. This reflects a combination of short-term and long-term effects: in the short term the difference between payouts and the sustainable level (glidepath); and in the long term the under or overpayment of asset share.

Within the stochastic model the liabilities are valued in the following order: asset share; costs of contractual guarantees; planned enhancements; costs of smoothing. So, for instance, if guarantees bite on a claim, the excess of the claim over the asset share is attributed to costs of contractual guarantees. As smoothing is calculated last there is a partial offset between the cost of guarantees and cost of smoothing.

- (ii) The nominal interest rate model used (Libor Market Model) is calibrated exactly to the current risk-free yield curve. The volatilities have been selected to provide a close fit to a range of swaption-implied volatilities. Equity and property returns are based on short term rates from the interest rate model with an additional log-normal component with a mean of zero. Equity volatilities are calibrated to a term structure of FTSE option-implied volatilities. The model is arbitrage-free.

The risk-free rate in the asset model is calibrated to the gilt curve at 31 December 2008 plus 10 basis points. Sample rates are shown in the table in (iii) below.

Sample volatilities are shown below for the main asset classes. These are derived from the asset model output. The volatility for fixed interest investments is the overall figure for the assumed portfolio mix of government and corporate bonds.

<b>Volatility over period (years)</b>	<b>Equity</b>	<b>Property</b>	<b>Fixed interest</b>
5	37%	16%	8%
10	38%	16%	10%
20	40%	20%	18%

The correlations assumed between the main asset classes are:

<b>Correlation between:</b>	
Equities and medium term fixed interest assets	47%
Equities and property	43%
Medium term fixed interest assets and property	67%

- (iii) The table below shows the annualised compound equivalent of the risk-free rate assumed for each duration (n) and values derived from the asset model of specified assets/options.

Row 1 shows the value of cash payments of £1,000,000 due n years after the valuation date.

Rows 2 to 15 inclusive show, for the appropriate asset classes, the value of a put option on a portfolio worth £1,000,000 on the valuation date exercisable n years after the valuation date, with strike price of  $K * £1,000,000 * (1+r)^n$ .

Row 16 shows the value of sterling receiver swaptions with a strike of 5% exercisable n years after the valuation date with swap durations on exercise of L years, expressed as a percentage of nominal.

	<b>K</b>	<b>0.75</b>			
<b>N</b>	<b>Duration (n)</b>	<b>5</b>	<b>15</b>	<b>25</b>	<b>35</b>
<b>R</b>	Annualised compound equivalent of the risk-free rate assumed for the period (r)	2.83%	4.13%	4.07%	3.82%
1	<i>Risk-Free Zero Coupon Bond</i>	£869,936	£545,234	£369,243	£269,687
2	<i>FTSE All Share Index (p=1)</i>	£142,621	£314,608	£428,259	£504,572
3	<i>FTSE All Share Index (p=0.8)</i>	£132,666	£260,008	£327,806	£366,204
4	<i>Property (p=1)</i>	£30,265	£116,682	£187,236	£259,767
5	<i>Property (p=0.8)</i>	£25,622	£81,575	£117,975	£154,480
6	<i>15yr Risk-Free ZCBs (p=1)</i>	£19,813	£30,377	£18,165	£29,936
7	<i>15yr Risk-Free ZCBs (p=0.8)</i>	£17,065	£20,111	£8,819	£11,546
8	<i>15yr Corporate Bonds (p=1)</i>	£26,300	£43,688	£38,249	£58,431
9	<i>15yr Corporate Bonds (p=0.8)</i>	£22,779	£28,276	£16,422	£20,764
10	<i>Portfolio 1 (p=1)</i>	£72,772	£202,318	£296,876	£369,459
11	<i>Portfolio 1 (p=0.8)</i>	£65,385	£156,535	£212,316	£250,995
12	<i>Portfolio 2 (p=1)</i>	£70,205	£185,877	£270,241	£338,838
13	<i>Portfolio 2 (p=0.8)</i>	£62,922	£142,523	£189,020	£224,667
14	<i>Portfolio 3 (p=1)</i>	£31,809	£99,932	£158,396	£216,235
15	<i>Portfolio 3 (p=0.8)</i>	£26,978	£67,684	£95,392	£124,027
		<i>L = 15</i>			
16	<i>Sterling Receiver Swaptions</i>	8.67%	11.36%	10.16%	7.57%



	<b>K</b>	<b>1</b>			
<i>n</i>	<b>Duration (n)</b>	<b>5</b>	<b>15</b>	<b>25</b>	<b>35</b>
<i>r</i>	Annualised compound equivalent of the risk-free rate assumed for the period ( <i>r</i> )	x	x	x	x
1	Risk-Free Zero Coupon Bond	x	x	x	x
2	FTSE All Share Index ( <i>p</i> =1)	£286,639	£489,683	£626,720	£714,366
3	FTSE All Share Index ( <i>p</i> =0.8)	£269,028	£408,862	£484,112	£523,026
4	Property ( <i>p</i> =1)	£131,844	£254,840	£347,207	£436,616
5	Property ( <i>p</i> =0.8)	£116,726	£186,886	£229,830	£274,660
6	15yr Risk-Free ZCBs ( <i>p</i> =1)	£91,738	£93,818	£82,161	£136,369
7	15yr Risk-Free ZCBs ( <i>p</i> =0.8)	£79,947	£57,390	£26,802	£34,683
8	15yr Corporate Bonds ( <i>p</i> =1)	£106,602	£127,931	£126,798	£169,091
9	15yr Corporate Bonds ( <i>p</i> =0.8)	£93,927	£82,482	£57,259	£65,254
10	Portfolio 1 ( <i>p</i> =1)	£197,975	£358,281	£474,512	£559,725
11	Portfolio 1 ( <i>p</i> =0.8)	£181,616	£285,059	£345,718	£385,753
12	Portfolio 2 ( <i>p</i> =1)	£194,049	£336,880	£441,611	£524,105
13	Portfolio 2 ( <i>p</i> =0.8)	£177,818	£265,080	£317,384	£354,746
14	Portfolio 3 ( <i>p</i> =1)	£134,963	£230,746	£309,229	£378,581
15	Portfolio 3 ( <i>p</i> =0.8)	£120,019	£165,428	£198,044	£229,470
		<i>L</i> = 20			
16	Sterling Receiver Swaptions	12.16%	14.21%	12.45%	9.07%

	<b>K</b>	<b>1.5</b>			
<i>n</i>	<b>Duration (n)</b>	<b>5</b>	<b>15</b>	<b>25</b>	<b>35</b>
<i>r</i>	Annualised compound equivalent of the risk-free rate assumed for the period ( <i>r</i> )	x	x	x	x
1	Risk-Free Zero Coupon Bond	x	x	x	x
2	FTSE All Share Index ( <i>p</i> =1)	£664,630	£883,489	£1,046,381	£1,151,422
3	FTSE All Share Index ( <i>p</i> =0.8)	£631,192	£745,039	£819,101	£850,700
4	Property ( <i>p</i> =1)	£523,843	£630,873	£741,332	£839,221
5	Property ( <i>p</i> =0.8)	£486,708	£493,399	£522,588	£558,517
6	15yr Risk-Free ZCBs ( <i>p</i> =1)	£497,700	£498,916	£504,509	£545,257
7	15yr Risk-Free ZCBs ( <i>p</i> =0.8)	£457,053	£332,701	£254,031	£248,178
8	15yr Corporate Bonds ( <i>p</i> =1)	£497,542	£495,529	£506,835	£551,783
9	15yr Corporate Bonds ( <i>p</i> =0.8)	£458,399	£344,640	£276,094	£273,142
10	Portfolio 1 ( <i>p</i> =1)	£577,335	£734,767	£870,088	£970,544
11	Portfolio 1 ( <i>p</i> =0.8)	£542,513	£600,227	£653,873	£686,841
12	Portfolio 2 ( <i>p</i> =1)	£574,729	£710,018	£833,070	£928,927
13	Portfolio 2 ( <i>p</i> =0.8)	£539,800	£575,863	£618,139	£648,233
14	Portfolio 3 ( <i>p</i> =1)	£525,566	£600,237	£685,465	£764,460
15	Portfolio 3 ( <i>p</i> =0.8)	£488,735	£464,059	£474,546	£494,813

	<b>K</b>	<b>1.5</b>			
n	<b>Duration (n)</b>	<b>5</b>	<b>15</b>	<b>25</b>	<b>35</b>
		<i>L=25</i>			
16	<i>Sterling Receiver Swaptions</i>	15.24%	16.77%	14.25%	10.20%

*Portfolio 1: Portfolio of 65% FTSE All Share and 35% property*

*Portfolio 2: Portfolio of 65% equity and 35% 15 year risk free zero coupon bonds*

*Portfolio 3: Portfolio of 40% equity, 15% property, 22.15% 15 year risk free zero coupon bonds and 22.5% 15 year corporate bonds.*

- (iv) Initial UK equity yield assumed            4.3%  
Initial UK property yield assumed            4.3%
- (v) No asset classes outside the UK are modelled separately.
- (vi) The average outstanding term of with profits liabilities in the New With Profits Fund is approximately 8 years. The average outstanding term of with profits liabilities in the Old With Profits Fund is approximately 9 years. A breakdown for selected product types is shown in the table below.

<b>Outstanding term (yrs)</b>	<b>NWPF</b>	<b>OWPF</b>
Bonds	6	6
Conventional Pensions	4	3
UWP Life	7	7
UWP Pensions	12	11

Term is the risk exposure duration, which is the effective number of years of exposure to risk weighted by the regulatory reserve.

The outstanding duration of with profits guarantees is fairly evenly spread over the term of the liabilities, though the cost of guarantees is greater at shorter durations. The outstanding duration of GAR guarantees is also shorter but still evenly spread.

The model was calibrated to a moneyness of between 115% for short durations to 80% for longer terms. The table below shows the extent of the fit of the modelled equity volatilities to market implied volatility.

<b>Term (years)</b>	<b>Strike</b>	<b>Market Equity Volatility</b>	<b>Modelled Equity Volatility</b>
1	115%	31.0%	31.0%
2	110%	32.0%	31.9%
3	110%	32.5%	32.7%
5	105%	33.9%	33.6%
10	100%	35.6%	34.7%

- (vii) The asset model is validated by accumulating and discounting asset values and comparing with the starting asset value. Results of this comparison are shown under (viii) below.

(viii) The valuation is based on 1,996 simulations of the asset model. The convergence of these simulations is shown in the table below. The figures are the ratio of the average, across the 1,996 scenarios, of the accumulated and discounted asset values to the starting asset value.

<b>Projection term (years)</b>	<b>Ratio</b>
5	101.43%
10	102.37%
15	99.50%
20	99.07%
25	103.83%
30	97.95%

The same principle of accumulating, discounting and comparing with the start value is applied to the asset shares in the liability valuation. The convergence of these results is at the level expected given the validation results of the asset model.

(b) None of the costs of guarantees, options and smoothing has been valued using the market costs of hedging.

(c) None of the cost of guarantees, options and smoothing has been valued using a series of deterministic projections with attributed probabilities.

(5) (a) The management actions assumed in the projection of assets and liabilities are derived from the PPFM, as set out below. The actions modelled below are consistent with the PPFM, although the PPFM does allow for larger movements in regular bonus rates and payouts when solvency is at risk.

#### **Regular bonuses**

Sustainable regular bonuses in the valuation for each modelled bonus series have been derived from the gross redemption yield on long dated gilts, with deductions for guaranteed interest rates, tax, expenses, shareholder transfers, and a contingency margin to reflect the extent of existing guarantees. The bonus rate in a given year is targeted at this sustainable level, but is constrained to move by no more than 1% upwards or downwards from the previous year's rate. Additionally, the bonus rate is constrained not to increase if the guaranteed benefits exceed the asset share at that point in the projection.

#### **Terminal bonuses**

The model determines a scale of terminal bonus rates for maturing policies (surrendering policies for bonds). These are also used to derive rates for death and surrender. Terminal bonus rates are set for a cohort of similar policies in the same bonus series. For a given group of policies, the payout on an identical maturing policy is restricted to move by a maximum of 15% in either direction from year to year. The implied payout ratios are assumed to start from forecast values and move to sustainable levels over time.

For all policies with a maturity date, and those without a maturity date but which have been in force a specified length of time, the sustainable payouts assumed in the valuation allow for a level of uplift to asset share, consistent with the PPFM.

### Market value reduction (MVR)

For unitised with profits business, where a policy is assumed to surrender, and where the asset share is below the face value of the units an MVR is applied so that the payout is equal to the asset share plus a defined percentage (10% for bonds and trustee plans, and 15% for other pensions) of the face value; subject to an overall maximum of the face value of units. No MVRs are assumed to be applied for regular premium life business.

In light of legislation changes (COBS 20.2.17) a reduction to modelled shareholder payouts has been made in scenarios where MVRs apply.

### Asset allocation

The asset mix of the with profits fund is assumed to remain constant throughout the projection.

(b) Best estimates of the future proportions of assets backing the with profits benefit reserves and future bonus rates under specified scenarios are:

Return	Risk-Free Rate unadjusted			Risk-Free Rate reduced by 0.66% p.a			Risk-Free Rate increased by 0.66% p.a.		
	Current	5	10	Current	5	10	Current	5	10
Years into projection									
Equity backing ratio	70 %	70 %	70 %	70 %	70 %	70 %	70 %	70 %	70 %
Annual bonus rate Investment Bond	2.75 %	0.75 %	0.75 %	2.92 %	0.25 %	0.25 %	2.92 %	1.25 %	1.25 %
Annual Bonus rate UWP Pension (effected 1999)	2.00 %	1.00 %	1.75 %	2.17 %	0.00 %	1.00 %	2.17 %	1.75 %	2.25 %

Note: Equity backing ratio includes equities and property.

(6) The persistency assumptions used for the main classes of business are:

Product		Average lapse / surrender / paid-up rate for the policy years			
		1 – 5	6 – 10	11 – 15	16 – 20
		% p.a.	% p.a.	% p.a.	% p.a.
UWP Bond	surrender	1.3	10	10	10
UWP Bond	automatic withdrawals	100% of current	100% of current	100% of current	100% of current
CWP pension regular premium	PUP	5.2	5	5	5
CWP pension regular premium	surrender	2	2	2	2
CWP pension single premium	surrender	2	2	2	2
UWP individual pension regular premium	PUP	6.5	6.5	4.8	4.5

Product		Average lapse / surrender / paid-up rate for the policy years			
		1 – 5	6 – 10	11 – 15	16 – 20
		% p.a.	% p.a.	% p.a.	% p.a.
UWP individual pension regular premium	surrender	2.5	2.5	2.5	3.2
UWP individual pension single premium	surrender	2.5	2.5	2.5	3.2
CWP savings endowment	surrender	11	7.7	3.7	2.5
CWP target cash endowment	surrender	1	1	1	1
UWP savings endowment	surrender	7.6	8	9	8
UWP target cash endowment	surrender	12.4	12.8	8.8	6

The take-up rates on GARs are assumed to vary with scenario. When the option is in the money, the take-up rate varies between 75% and 80%, depending on the relative values of the tax free cash alternative and the value of the annuity net of tax.

The mortality assumption in possession of any GAR is assumed to be 97.5% of PCMA00 medium cohort (1992 onwards) & 1.7% floor (2004 onwards) for males and 90% of PCFA00 medium cohort (1992-2004) & 75% medium cohort with 1.5% floor (2004 onwards) for females. For practical reasons, an equivalent one-dimensional table is used.

- (7) Policyholder lapse and paid-up rates are not assumed to vary with scenario in the calculations. The policyholder take-up rates on GARs are described in (6) above.

## 7. Financing costs

There are no financing arrangements in place in connection with any with profits funds.

## 8. Other long-term insurance liabilities

Form 19 Line 47 includes the value of the future tax and investment expenses on the assets backing the Future Policy Related Liabilities in excess of asset share. It also includes the value of the future Reorganisation Bonus payable in accordance with the reorganisation scheme governing the company. Section 3.(2) details the amounts of each.

## 9. Realistic current liabilities

In the OWPF, the realistic current liabilities are equal to the regulatory current liabilities plus an amount reflecting the tax liability on future shareholder transfers and on the shareholders' share of the Reorganisation Bonus.

In the NWPF the realistic current liabilities are equal to the regulatory current liabilities. An amount reflecting the tax liability on future shareholder transfers and on the shareholders' share of the Reorganisation Bonus is subtracted from the support asset shown on Form 19 Line 27 and is also included in Form 18 Line 65.

## 10. Risk Capital Margin

- (a) The Risk Capital Margin for the NWPF is £268m and for the OWPF is £61m.

For both funds the most adverse scenario is the combination of events described below.

- (i) Equity values are assumed to fall by 20%. Property values are assumed to fall by 12.5%. No separate assumption is made for non UK assets.
- (ii) Fixed interest yields are assumed to fall by the amounts shown in the table below. The percentage change in yields is 17.5%. No overseas fixed interest assets are treated as being invested in significant territories.

Currency	Long term yield (annualised)	Nominal rise in yields
Sterling	3.74%	0.66%

- (iii) The average (weighted by value) change in spread for bonds, and the percentage changes in asset value arising from the credit risk scenario are given below. These are the percentage changes applying to the corporate bond investments of the funds in the most adverse scenario. No other asset values are adjusted in the credit risk scenario.

	Average change in spread (basis points)	Percentage change in asset values
With profits portfolio	109	-6.5%
Non-profit portfolio	57	-3.6%

- (iv) The overall percentage change in the realistic value of liabilities that results from applying the persistency risk scenario, assuming the market and credit risk stress scenarios have occurred is given in the table below.

	Percentage change in liabilities
NWPF	1.08%
OWPF	1.23%

- (v) Not applicable.

- (b)

- (i) In the stress scenario that defines the Risk Capital Margin calculation, it is assumed that the Long Term Target Payout Ratio is reduced from 125% to 120%.

No other changes to management actions are assumed from the base calculation. There are no further changes to assumptions, other than those that result directly from the events of the stress scenario itself.

- (ii) The impact of the change in management actions on the Risk Capital Margin is £85m for NWPF and £18m for OWPF.

- (iii) No changes would apply to the table in **6.(5)(b)** if the management actions assumed within the Risk Capital Margin were also assumed within the base scenario.
- (iv) Not relevant since it is not assumed that such charges are taken.
- (c) All the assets required by the OWPF to cover the Risk Capital Margin are held within the fund. For NWPF some Support Arrangement Assets (as shown in Form 19 Line 27) are required to cover the Risk Capital Margin.

## 11. Tax

- (i) Tax on assets backing the With Profits Benefit Reserve (asset share) is charged to the asset share.
- (ii) The liability for future tax on assets backing the future policy related liabilities is calculated separately and included on the balance sheet in Form 19, Line 47. The calculation assumes that these assets are locked in for the mean term of the policy liabilities, and incur tax on the investment return over that term. Tax is only incurred on the BLAGAB proportion of the assets.
- (iii) There is no liability assumed for tax on the assets backing realistic current liabilities.

## 12. Derivatives

Derivatives held as at 31 December 2008 are as follows:

Sterling interest rate receiver swaps are held for the purposes of hedging interest rate risk. The swaps held have maturity dates in 2037, a total notional of £196m, and a total market value of £39.0m.

Sterling and Euro-quanto receiver swaptions are held for the purpose of hedging interest rate risk. These have exercise dates ranging from 2009 to 2032, all have a tenor of 20 years and a strike rate of 5%. They have a total notional of £380m and a total market value of £66.8m.

Equity put options are held for the purpose of hedging equity risk. These are total return options on a basket of indices weighted as follows:

Index	Economy	Weighting
FTSE 100 Total Return	UK	71%
S&P 500 Total Return	US	13%
Dow Jones EUROSTOXX 50 Total Return	Europe	8%
TOPIX Total Return	Japan	8%

They have maturity dates ranging from 2012 to 2025, a total original notional of £423m and a market value of £96.3m.

Credit default swaps are held to adjust credit exposure for the purpose of portfolio management, rather than as a strategic hedge against credit risk. There is £5.0m notional of sold protection and £31.5m notional of bought protection. Maturity dates range from 2010 to 2015.

Futures are held as set out in the table below:

Future	Bought / Sold	Purpose	Maturity Date	Exposure
FTSE 100	Sold	Managing equity risk	19 Mar 2009	£65.4m
S&P 500	Bought	Managing equity risk	19 Mar 2009	£7.7m
DJ EURO STOXX 50	Bought	Managing equity risk	19 Mar 2009	£6.1m
HANG SENG INDEX	Bought	Managing equity risk	19 Jan 2009	£6.8m
TOPIX	Sold	Managing equity risk	19 Mar 2009	-£2.5m
Long (10y) Gilt	Bought	Duration management	31 Mar 2009	£154.3m
EURO Bond	Sold	Hedging interest rate risk	31 Mar 2009	£18.1m

Currency forwards are held for the purpose of portfolio management to hedge overseas currency exposure back to Sterling. There is £9.8m notional to hedge exposure to Euro back to Sterling.

### 13. Analysis of change in working capital

£m	NWPF	OWPF
<b>Realistic working capital 31 December 2007</b>	<b>1,899</b>	<b>297</b>
Opening Adjustments to valuation of WP liabilities	-20	-5
Opening Adjustments to Support Arrangement Assets	146	0
Model & Methodology Changes on valuation of WP liabilities	13	2
Return on Working Capital	-72	-54
Investment returns on assets backing Asset Shares	-358	-62
Mismatch profits on assets backing the future policyholder related liabilities	-153	-22
Changes to realistic persistency & mortality assumptions on modelled WP business	7	2
Changes to economic assumptions	-23	-5
Changes to non-economic assumptions	217	36
Actual vs Expected experience	-67	-12
New Business	-2	0
Impact of Non-profit business	-62	-9
Changes in other liabilities of lines 47 and 51 of Form 19	140	26
Change in Support Arrangement Assets	-631	0
Other	46	32
<b>Realistic working capital 31 December 2008</b>	<b>1,080</b>	<b>226</b>

Changes to economic assumptions include changes to the asset mix.

The main component of the changes to non-economic assumptions item is the introduction of MVRs on some tranches of unitised WP business.

The impact of non-profit business is mostly brought about by the widening of credit



spreads and hence fall in market value of assets backing the non-profit business in the fund.

Changes in other liabilities of lines 47 and 51 of Form 19 include a decrease in current liabilities and a decrease in the reserve for future payouts of Reorganisation Bonus, under the Reorganisation Scheme, which is driven by the reduction in asset values over the period.

The change in Support Arrangement Assets is essentially the change in the Non-Profit Funds surplus, which is lendable to NWPF under the rules of the Reorganisation Scheme. The main reasons for the reduction in this amount are the investment returns on the assets backing the surplus, new business expenses incurred by the Non-Profit Funds and the transfer of inter-company loan assets to the Shareholders' Fund.

'Other' includes changes to manual adjustments and movements in current assets.

Name of Insurer **AXA Sun Life Plc**

## **IPRU(INS) RULE 9.29 - STATEMENT ON DERIVATIVE CONTRACTS**

### **Financial year ended 31 December 2008**

a) **Investment Guidelines**

The investment guidelines of AXA Sun Life Plc allow for the use of derivative contracts for the purposes of efficient portfolio management or the reduction of investment risk. Derivatives can only be used to the extent that they are replicating a similar economic effect which would otherwise be achieved by selling existing assets or using cash in the portfolio to fund the purchase of permitted assets.

The guidelines restrict the investment in derivative contracts to specified exchange traded derivatives on a limited number of markets, forward foreign exchange contracts, interest rate swaps and inflation rate swaps. Credit default swaps may be used within the With Profit funds and in unit linked funds on a case by case basis and in the shareholder or Non Profit funds where an effective hedge can be demonstrated in advance of the proposed transaction.

The counterparties through whom such transactions can be made are restricted, as are the counterparty exposures that may be built up using derivatives. Prudent limits have also been set on the extent to which derivatives may be used within a given portfolio. Derivatives must not be used to gear the portfolio.

The use of non exchange traded derivatives, with the exception of the derivative contracts noted above, is not permitted without the prior approval of the Group Finance Director or the Chief Investment Officer.

Approval has been given for the use of over the counter (OTC) derivatives to support particular unit linked funds. As at the end of 2008, the value of the OTC derivatives held to cover such contracts was £3.5m (2007: £3.0m).

b) **Guidelines in respect of derivatives not likely to be exercised**

The investment guidelines do not explicitly allow or exclude the use of derivatives which create rights or obligations which are not, at the time the contract is entered into, reasonably likely to be exercised.

c) **Derivatives not likely to be exercised**

During the year, no contracts were entered into which were not, at the time of entry, reasonably likely to be exercised.

d) **No other instrument, whether it be a derivative or an instrument of similar nature was used which required a significant provision under INSPRU 3.2.17R, or where appropriate, did not fall within the definition of a permitted derivative contract.**

e) **There were no rights granted under derivative contracts for which fixed consideration was received by the Insurer during the year.**

Name of Insurer **AXA Sun Life Plc**

**IPRU (INS) RULE 9.30 - STATEMENT OF CONTROLLERS OF AXA SUN LIFE PLC**

**At 31 December 2008**

<b>Controller</b>	<b>Shareholding/Voting Rights</b>						
<b>AXA Sun Life Holdings Plc</b> 5 Old Broad Street, London, EC2N 1AD Incorporated in England Registered No: 3479251	100% shareholding in AXA Sun Life Plc						
<b>AXA UK Plc</b> 5 Old Broad Street, London, EC2N 1AD Incorporated in England Registered No: 2937724	100% shareholding in AXA Sun Life Holdings Plc						
<b>AXA</b> 25 avenue Matignon, 75008 Paris Incorporated in France Registered No: 572093920RCS	100% shareholding in AXA UK Plc split as follows: <table style="margin-left: 20px;"> <tr> <td>AXA</td> <td style="text-align: right;">78.3%</td> </tr> <tr> <td>AXA Equity &amp; Law Plc (a 99.9% owned subsidiary of AXA)</td> <td style="text-align: right;">21.7%</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">100.0%</td> </tr> </table>	AXA	78.3%	AXA Equity & Law Plc (a 99.9% owned subsidiary of AXA)	21.7%		100.0%
AXA	78.3%						
AXA Equity & Law Plc (a 99.9% owned subsidiary of AXA)	21.7%						
	100.0%						
<b>Mutuelles AXA:</b>  <b>AXA Assurances Vie Mutuelle</b> 26 rue Drouot, 75009 Paris Incorporated in France Registered No: 353457245  <b>AXA Assurances IARD Mutuelle</b> 26 rue Drouot, 75009 Paris Incorporated in France Registered No: 775699309	Is an association of two companies, as listed, which collectively exercise 23.10% of AXA's voting rights as at 31 December 2008.						

Name of Insurer      **AXA Sun Life Plc**

**IPRU(INS) RULE 9.36 - STATEMENT OF INFORMATION ON THE ACTUARY APPOINTED TO PERFORM THE WITH-PROFITS ACTUARY FUNCTION**

The actuary was requested to furnish the insurer with particulars specified in Rule 9.36 of the Interim Prudential Sourcebook for Insurers and he has confirmed that the information below is correct.

1. Shares

Mr Shelley had no interest in the shares of the insurer.

Mr Shelley's interests in options as at 31 December 2008 were as follows:

- 3,079 €9.91 options (adjusted to take account of the rights issue in 2003 linked to the MONY and the Winterthur acquisition in June 2006) in AXA SA, exercisable to 4 July 2010,
- 2,327 €40.01 options (adjusted to take account of the rights issue in 2003 linked to the MONY and the Winterthur acquisition in June 2006) in AXA SA, exercisable to 11 July 2010,
- 6,158 €31.49 options (adjusted to take account of the rights issue in 2003 linked to the MONY and the Winterthur acquisition in June 2006) in AXA SA, exercisable to 8 May 2011,
- 4,106 €20.45 options (adjusted to take account of the rights issue in 2003 linked to the MONY and the Winterthur acquisition in June 2006) in AXA SA, exercisable to 26 February 2012,
- 3,079 €10.73 options (adjusted to take account of the rights issue in 2003 linked to the MONY and the Winterthur acquisition in June 2006) in AXA SA, exercisable to 13 March 2013,
- 630 shares in AXA SA Global Shareplan 2002,
- 389 shares in AXA SA Global Shareplan 2004,
- 300 shares in AXA SA Global Shareplan 2005,
- 200 shares in AXA SA Global Shareplan 2006,
- 167 shares in AXA SA Global Shareplan 2007,
- 197 shares in AXA SA Global Shareplan 2008.

2. Remuneration

In respect of 2008 Mr Shelley received management remuneration and other benefits (other than pension contributions) to the value of £119,562.

3. Pension contributions

Mr Shelley is a member of the AXA UK Group Pension Scheme.

Name of Insurer           **AXA Sun Life Plc**

## **CERTIFICATE OF THE MONITORING BOARD OF AXA SUN LIFE PLC**

**Financial Year ended 31 December 2008**

1       Overall Conclusion

- (a) The Monitoring Board, having been advised by the Monitoring Actuary, hereby certifies pursuant to paragraph 2(b) of Part VII of the Scheme (see note 1) that in 2008 ('the period'), the Old With Profits Fund (OWPF) of AXA Sun Life Plc (ASL) was managed in a manner that was consistent with the Scheme.

2       Detailed Conclusions

- (a) The Monitoring Board is satisfied that:

- (i) the operation and management of the sub-funds in the period, and
- (ii) the reinsurance into the OWPF from the New With Profits Fund of ASL (NWPF) of new with profits business written by ASL during the period were performed in accordance with the Scheme.

- (b) The Monitoring Board has reviewed:

- (i) the investment policy of the OWPF during the period (the equity backing ratio having been above that of the median of the 'Peer Companies' as at the end of 2007, the latest available date for information),
- (ii) the bonus policy of ASL in respect of policies allocated to the OWPF during the period (during which bonus rates, including rates of Reorganisation Bonus, on policies allocated to the OWPF were identical to those on identical policies allocated to the NWPF),
- (iii) the volumes, mix and terms of new business which was written in or reassured in the OWPF during the period and which is planned to be written in or reassured in the OWPF during 2009, and
- (iv) the surrender terms applied in the period to policies allocated to the OWPF

and is satisfied that none of those items have been managed by ASL in a way prejudicial to the reasonable expectations of holders of 'Monitored Policies'.

3       Financial Support from the Non Profit Funds (NPF) of ASL

- (a) The need for financial support for the OWPF and for the NWPF was assessed by ASL at 1 January 2008 in accordance with paragraph 21.3 of the Scheme. No financial support was required by the OWPF or by the NWPF.
- (b) The solvency on both a regulatory and a realistic basis of the OWPF and of the NWPF were assessed by ASL throughout the period. No financial support was required by the OWPF or by the NWPF.

Name of Insurer           **AXA Sun Life Plc**

**CERTIFICATE OF THE MONITORING BOARD OF AXA SUN LIFE PLC**

**Financial year ended 31 December 2008**

The Monitoring Board is satisfied that these assessments in paragraphs 3 (a) and 3 (b) were made by ASL in accordance with the provisions of the Scheme.

A further assessment of the need for financial support for the OWPF and for the NWPF in accordance with paragraph 21.3 of the Scheme is in the process of being made by ASL. The Monitoring Board will report further on this assessment in its certificate in respect of 2009.

**4       Basis for the Certificate of the Monitoring Board**

In preparing this certificate, the Monitoring Board has, as stated above, been advised by the Monitoring Actuary, and has had full access to documents and reports prepared by ASL and by its With Profits Actuary and Actuarial Function Holder.

Note 1: The ‘Scheme’ means the transfer of the long term business of AXA Equity & Law Life Assurance Society Plc to ASL and the subsequent financial reorganisation of the long term business of ASL as approved by the High Court and by the Royal Court of Jersey in December 2000. ‘Peer Companies’ and ‘Monitored Policies’ are as defined in the Scheme.

Lord Taverne  
Chairman of the Monitoring Board

27 March 2009

Name of Insurer      **AXA Sun Life Plc**

**IPRU(INS) 9.34 - DIRECTORS' CERTIFICATE**

**Financial year ended 31 December 2008**

We certify that:

- (a) in our opinion, the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU; and
- (b) we are satisfied that:
  - (i) throughout the financial year in question, the Company has complied in all material respects with the requirements in SYSC and PRIN as well as the provisions of IPRU(INS), GENPRU and INSPRU; and
  - (ii) it is reasonable to believe that the Company has continued to comply subsequently and will continue so to comply in future;
- (c) 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;
- (d) the sum of the mathematical reserves as shown in Form 14 constitute proper provision at the end of the financial year in question for the long-term insurance liabilities (other than 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 an actuarial investigation as at that date into the financial condition of the long-term insurance business;
- (e) the with-profits fund has been managed in accordance with the Principles and Practices of Financial Management, as established, maintained and recorded under COBS 20.3;
- (f) 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 SUP 4.3.13R; and
  - (ii) advice from the actuary appointed by the Company to perform the with-profits actuary function in accordance with SUP 4.3.16AR;
- (g) in our opinion, the Company was managed in a manner that was consistent with the Scheme approved by the High Court in December 2000 to transfer the business of AXA Equity & Law Life Assurance Society plc to the Company.

Signed on behalf of AXA Sun Life Plc

P. J. Evans	Chief Executive
D. R. Cheeseman	Director
A. J. Purvis	Director

27 March 2009

**REPORT OF THE AUDITORS TO THE DIRECTORS PURSUANT TO IPRU(INS) RULE 9.35**

**Global business**

**Financial year ended 31 December 2008**

We have examined the following documents prepared by the company pursuant to the Accounts and Statement Rules set out in part I and part IV of chapter 9 to IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Insurance Prudential Sourcebook (“the Rules”) made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 2, 3, 11 to 19, 40 to 45, 48, 49, 56, 58 and 60 (including the supplementary notes) (‘the Forms’);
- the statement required by IPRU(INS) rule 9.29 on page 209 (‘the Statement’);
- the valuation report required by IPRU(INS) rule 9.31(a) (‘the valuation report’) on pages 167 to 193; and
- the statements, analysis and reports required by IPRU(INS) rule 9.31(b) (‘the realistic valuation report’) on pages 194 to 208.

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)
- the statements required by IPRU(INS) rules 9.30 and 9.36 on pages 210 and 211;
- the certificate required by IPRU(INS) rule 9.34(1) on page 214 (‘the certificate’); and
- the certificate of the monitoring board of AXA Sun Life Plc on pages 212 to 213.

**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 realistic valuation report, the forms and statements not examined by us and the certificate under the provisions of the Rules. The requirements of the Rules have been modified by waivers issued under section 148 of the Financial Services and Markets Act 2000 on 3 December 2007 and 31 October 2008. Under IPRU(INS) rule 9.11 the Forms, the Statement, the valuation report, the realistic valuation report, the forms and statements not examined by us and the 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 and the realistic valuation report, prepared in accordance with IPRU(INS) rule 9.31 are required to reflect appropriately the requirements of INSPRU 1.2 and 1.3.

It is our responsibility to form an independent opinion as to whether the Forms, the Statement, the valuation report and the realistic 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. This report has been prepared for the directors of AXA Sun Life Plc to comply with their obligations under IPRU(INS) rule 9.35 and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose save where expressly agreed by our prior consent in writing.



Name of Insurer **AXA Sun Life Plc**

**REPORT OF THE AUDITORS TO THE DIRECTORS PURSUANT TO IPRU(INS) RULE 9.35**

**Global business**

**Financial year ended 31 December 2008**

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, the valuation report and the realistic 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, the valuation report and the realistic 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, the valuation report and the realistic 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, the valuation report and the realistic 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 insurer and used to perform the actuarial investigation as set out in the valuation report and the realistic valuation report prepared in accordance with IPRU(INS) rule 9.31 appropriately reflect the requirements of INSPRU 1.2 and 1.3.

PricewaterhouseCoopers LLP

Registered Auditor

London

27 March 2009