Equitable Life

THE EQUITABLE LIFE ASSURANCE SOCIETY

Annual FSA Insurance Returns
for the year ended
31 December 2010

Appendices 9.1, 9.3, 9.4, 9.4A & 9.6 from the Interim Prudential Sourcebook for Insurers

Registered Office 20 - 22 Bedford Row, London, WC1R 4JS

Contents

Balance Sheet and Profit and Loss Account

Long Term Insurance Business: Revenue Account and Additional Information

Form 2

Statement of solvency - long-term insurance business

Name of insurer **Equitable Life Assurance Society**

Global business

Financial year ended **31 December 2010**

Adjusted solo solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	Units
R2	37038	GL	31	12	2010	£000

		As at end of this financial year 1	As at end of the previous year 2
Capital resources			
Capital resources arising within the long-term insurance fund	11	359200	612785
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12		
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	359200	612785
Guarantee fund			
Guarantee fund requirement	21	79366	76796
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	279834	535989
Minimum capital requirement (MCR)			
Long-term insurance capital requirement	31	238097	230388
Resilience capital requirement	32		
Base capital resources requirement	33	2280	2346
Individual minimum capital requirement	34	238097	230388
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	238097	230388
Excess (deficiency) of available capital resources to cover 50% of MCR	37	240151	497591
Excess (deficiency) of available capital resources to cover 75% of MCR	38	180627	439994
Enhanced capital requirement			
With-profits insurance capital component	39	121103	382397
Enhanced capital requirement	40	359200	612785
Capital resources requirement (CRR)			
Capital resources requirement (greater of 36 and 40)	41	359200	612785
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	0	0
Contingent liabilities			
Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51		

Form 2

Covering Sheet to Form 2

Name of insurer **Equitable Life Assurance Society**

Global business

Financial year ended **31 December 2010**

Ian Brimecome, Chairman

Chris Wiscarson, Chief Executive

Tim Bateman, Finance Director

London , 30/03/2011

Form 3
(Sheet 1)

Components of capital resources

Name of insurer	**Equitable Life Assurance Society**
Global business	
Financial year ended	**31 December 2010**

	Company registration number	GL/UK/CM	day	month	year	Units
R3	37038	GL	31	12	2010	£000

		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4
Core tier one capital					
Permanent share capital	11				
Profit and loss account and other reserves	12				
Share premium account	13				
Positive valuation differences	14		360622	360622	614783
Fund for future appropriations	15				
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19		360622	360622	614783
Tier one waivers					
Unpaid share capital / unpaid initial funds and calls for supplementary contributions	21				
Implicit Items	22				
Tier one waivers in related undertakings	23				
Total tier one waivers as restricted (21+22+23)	24				
Other tier one capital					
Perpetual non-cumulative preference shares as restricted	25				
Perpetual non-cumulative preference shares in related undertakings	26				
Innovative tier one capital as restricted	27				
Innovative tier one capital in related undertakings	28				
Total tier one capital before deductions (19+24+25+26+27+28)	31		360622	360622	614783
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37				
Total tier one capital after deductions (31-37)	39		360622	360622	614783

Form 3
(Sheet 2)

Components of capital resources

Name of insurer **Equitable Life Assurance Society**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R3	37038	GL	31	12	2010	£000

		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4
Tier two capital					
Implicit items, (tier two waivers and amounts excluded from line 22)	41				
Perpetual non-cumulative preference shares excluded from line 25	42				
Innovative tier one capital excluded from line 27	43				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	44				
Perpetual cumulative preference shares	45				
Perpetual subordinated debt and securities	46				
Upper tier two capital in related undertakings	47				
Upper tier two capital (44 to 47)	49				
Fixed term preference shares	51				
Other tier two instruments	52				
Lower tier two capital in related undertakings	53				
Lower tier two capital (51+52+53)	59				
Total tier two capital before restrictions (49+59)	61				
Excess tier two capital	62				
Further excess lower tier two capital	63				
Total tier two capital after restrictions, before deductions (61-62-63)	69				

Form 3
(Sheet 3)

Components of capital resources

Name of insurer	**Equitable Life Assurance Society**
Global business	
Financial year ended	**31 December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R3	37038	GL	31	12	2010	£000

Total capital resources

		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4
Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72		360622	360622	614783
Inadmissible assets other than intangibles and own shares	73		1422	1422	1997
Assets in excess of market risk and counterparty limits	74				
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Deductions of ineligible surplus capital	77				
Total capital resources after deductions (72-73-74-75-76-77)	79		359200	359200	612785
Available capital resources for GENPRU/INSPRU tests					
Available capital resources for guarantee fund requirement	81		359200	359200	612785
Available capital resources for 50% MCR requirement	82		359200	359200	612785
Available capital resources for 75% MCR requirement	83		359200	359200	612785
Financial engineering adjustments					
Implicit items	91				
Financial reinsurance - ceded	92				
Financial reinsurance - accepted	93				
Outstanding contingent loans	94				
Any other charges on future profits	95				
Sum of financial engineering adjustments (91+92-93+94+95)	96				

Form 13
(Sheet 1)

Analysis of admissible assets

Name of insurer	**Equitable Life Assurance Society**
Global business	
Financial year ended	**31 December 2010**
Category of assets	**Total long term insurance business assets**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets
R13	37038	GL	31	12	2010	£000	10

			As at end of this financial year 1	As at end of the previous year 2
Land and buildings		11	320666	374929
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	25252	24439
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		
Other financial investments				
Equity shares		41	3207	17188
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	189911	265047
Rights under derivative contracts		44	9198	7124
Fixed interest securities	Approved	45	2018608	2047434
	Other	46	1960760	2479721
Variable interest securities	Approved	47	240645	218294
	Other	48		
Participation in investment pools		49		
Loans secured by mortgages		50	747	757
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52	375	495
Other loans		53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	1133653	503600
	More than one month withdrawal	55		
Other financial investments		56		
Deposits with ceding undertakings		57		
Assets held to match linked liabilities	Index linked	58	240276	239096
	Property linked	59		

Form 13
(Sheet 2)

Analysis of admissible assets

Name of insurer **Equitable Life Assurance Society**

Global business

Financial year ended **31 December 2010**

Category of assets **Total long term insurance business assets**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets
R13	37038	GL	31	12	2010	£000	10

			As at end of this financial year 1	As at end of the previous year 2
Reinsurers' share of technical provisions				
Provision for unearned premiums		60		
Claims outstanding		61		
Provision for unexpired risks		62		
Other		63		
Debtors and salvage				
Direct insurance business	Policyholders	71	4121	4328
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	10719	9235
	due in more than 12 months	79		
Other assets				
Tangible assets		80		
Deposits not subject to time restriction on withdrawal with approved institutions		81	11251	2919
Cash in hand		82		
Other assets (particulars to be specified by way of supplementary note)		83		
Accrued interest and rent		84	85010	104650
Deferred acquisition costs (general business only)		85		
Other prepayments and accrued income		86	613	814
Deductions from the aggregate value of assets		87		
Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)		89	6255013	6300069

Form 13
(Sheet 3)

Analysis of admissible assets

Name of insurer	**Equitable Life Assurance Society**
Global business	
Financial year ended	**31 December 2010**
Category of assets	**Total long term insurance business assets**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets
R13	37038	GL	31	12	2010	£000	10

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

		As at end of this financial year 1	As at end of the previous year 2
Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	6255013	6300069
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93	1422	1997
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100	2441405	2333075
Other asset adjustments (may be negative)	101	(13878)	(20697)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	8683962	8614444

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Form 14

Long term insurance business liabilities and margins

Name of insurer	**Equitable Life Assurance Society**
Global business	
Financial year ended	**31 December 2010**
Total business/Sub fund	**ORDINARY LONG TERM**
Units	**£000**

			As at end of this financial year 1	As at end of the previous year 2
Mathematical reserves, after distribution of surplus		11	5722004	5498486
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12		
Balance of surplus/(valuation deficit)		13		
Long term insurance business fund carried forward (11 to 13)		14	5722004	5498486
Claims outstanding	Gross	15	15717	18530
	Reinsurers' share	16		
	Net (15-16)	17	15717	18530
Provisions	Taxation	21		
	Other risks and charges	22	77300	76700
Deposits received from reinsurers		23		
Creditors	Direct insurance business	31	10258	10923
	Reinsurance accepted	32		
	Reinsurance ceded	33	534	1456
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions		36	5368	7368
Creditors	Taxation	37		145
	Other	38	44763	54895
Accruals and deferred income		39	19870	18781
Provision for "reasonably foreseeable adverse variations"		41		
Total other insurance and non-insurance liabilities (17 to 41)		49	173809	188798
Excess of the value of net admissible assets		51	359200	612785
Total liabilities and margins		59	6255013	6300069
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	5368	8239
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62		
Total liabilities (11+12+49)		71	5895813	5687284
Increase to liabilities - DAC related		72		
Reinsurers' share of technical provisions		73	2441405	2333075
Other adjustments to liabilities (may be negative)		74	346744	594085
Capital and reserves and fund for future appropriations		75		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)		76	8683962	8614444

Form 17

Analysis of derivative contracts

Name of insurer **Equitable Life Assurance Society**

Global business

Financial year ended **31 December 2010**

Category of assets **Total long term insurance business assets**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets
R17	37038	GL	31	12	2010	£000	10

Derivative contracts			Value as at the end of this financial year		Notional amount as at the end of this financial year	
			Assets 1	Liabilities 2	Bought / Long 3	Sold / Short 4
Futures and contracts for differences	Fixed-interest securities	11			25788	
	Interest rates	12				
	Inflation	13				
	Credit index / basket	14				
	Credit single name	15				
	Equity index	16				
	Equity stock	17				
	Land	18				
	Currencies	19		1222	18840	105683
	Mortality	20				
	Other	21				
In the money options	Swaptions	31	34899		867000	
	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	34899	1222	911629	105683
Adjustment for variation margin		52	(25701)			
Total (51 + 52)		53	9198	1222		

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.

Form 18

With-profits insurance capital component for the fund

Name of insurer	**Equitable Life Assurance Society**
With-profits fund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
Units	**£000**

Regulatory excess capital

			As at end of this financial year 1	As at end of the previous year 2
Regulatory value of assets	Long-term admissible assets of the fund	**11**	6255013	6300069
	Implicit items allocated to the fund	**12**		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	**13**	777789	756042
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	**14**	39774	39941
	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**	5437450	5504086
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	**21**	4944215	4742444
	Regulatory current liabilities of the fund	**22**	173809	188798
	Total (21+22)	**29**	5118024	4931242
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		**31**	198323	190447
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**	5316347	5121689
Regulatory excess capital (19-39)		**49**	121103	382397

Realistic excess capital

Realistic excess capital	**51**		

Excess assets allocated to with-profits insurance business

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	**61**	121103	382397
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	**62**		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	**63**		
Present value of future shareholder transfers arising from distribution of surplus	**64**		
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**	121103	382397

Form 19
(Sheet 1)

Realistic balance sheet

Name of insurer **Equitable Life Assurance Society**

With-profits fund **ORDINARY LONG TERM**

Financial year ended **31 December 2010**

Units **£000**

			As at end of this financial year 1	As at end of the previous year 2
Realistic value of assets available to the fund				
Regulatory value of assets		11	5437450	5504086
Implicit items allocated to the fund		12		
Value of shares in subsidiaries held in fund (regulatory)		13		
Excess admissible assets		21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund		22	7936	16615
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22		23		
Value of shares in subsidiaries held in fund (realistic)		24		
Prepayments made from the fund		25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))		26	5445386	5520701
Support arrangement assets		27		
Assets available to the fund (26+27)		29	5445386	5520701
Realistic value of liabilities of fund				
With-profits benefit reserve		31	3844993	4143186
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	692908	672911
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	294611	290067
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	18946	28406
	Future costs of contractual guarantees (other than financial options)	41	755141	573742
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	5535	11058
	Future costs of smoothing (possibly negative)	44		
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	286556	249479
	Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	1426584	1188717
Realistic current liabilities of the fund		51	173809	188798
Realistic value of liabilities of fund (31+49+51)		59	5445386	5520701

Form 19
(Sheet 2)

Realistic balance sheet

Name of insurer	**Equitable Life Assurance Society**
With-profits fund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
Units	**£000**

Realistic excess capital and additional capital available

		As at end of this financial year 1	As at end of the previous year 2
Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	**62**	5445386	5520701
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	**63**		
Value of relevant assets before applying the most adverse scenario (62+63)	**64**	5445386	5520701
Risk capital margin for fund (62-59)	**65**		
Realistic excess capital for fund (26-(59+65))	**66**		
Realistic excess available capital for fund (29-(59+65))	**67**		
Working capital for fund (29-59)	**68**		
Working capital ratio for fund (68/29)	**69**		

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

Additional amount potentially available for inclusion in line 62	**81**		
Additional amount potentially available for inclusion in line 63	**82**		

Form 40

Long-term insurance business : Revenue account

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
Units	**£000**

		Financial year 1	Previous year 2
Income			
Earned premiums	**11**	73673	156164
Investment income receivable before deduction of tax	**12**	278395	321435
Increase (decrease) in the value of non-linked assets brought into account	**13**	428881	(161353)
Increase (decrease) in the value of linked assets	**14**	16199	8799
Other income	**15**	2039	2875
Total income	**19**	799187	327921
Expenditure			
Claims incurred	**21**	491341	684604
Expenses payable	**22**	81456	114990
Interest payable before the deduction of tax	**23**	15	195
Taxation	**24**	2858	1649
Other expenditure	**25**		
Transfer to (from) non technical account	**26**		
Total expenditure	**29**	575670	801438
Business transfers - in	**31**		
Business transfers - out	**32**		
Increase (decrease) in fund in financial year (19-29+31-32)	**39**	223517	(473517)
Fund brought forward	**49**	5498486	5972003
Fund carried forward (39+49)	**59**	5722004	5498486

Form 41

Long-term insurance business : Analysis of premiums

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
Units	**£000**

		UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
		1	2	3	4	5
Gross						
Regular premiums	**11**	17567	64880	2518	84965	81524
Single premiums	**12**	12	54263	384	54659	137087
Reinsurance - external						
Regular premiums	**13**	11623	43061	1498	56181	52985
Single premiums	**14**	10	9685	74	9769	9462
Reinsurance - intra-group						
Regular premiums	**15**					
Single premiums	**16**					
Net of reinsurance						
Regular premiums	**17**	5944	21819	1020	28784	28539
Single premiums	**18**	2	44578	310	44890	127625
Total						
Gross	**19**	17579	119143	2902	139624	218612
Reinsurance	**20**	11633	52746	1572	65951	62447
Net	**21**	5946	66397	1330	73673	156164

Form 42

Long-term insurance business : Analysis of claims

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
Units	**£000**

		UK Life 1	UK Pension 2	Overseas 3	Total Financial year 4	Total Previous year 5
Gross						
Death or disability lump sums	11	12874	20832	1216	34922	37295
Disability periodic payments	12					
Surrender or partial surrender	13	24773	213008	6810	244592	330775
Annuity payments	14	5543	61243	8569	75354	77558
Lump sums on maturity	15	44908	319993	5439	370340	444753
Total	16	88098	615076	22034	725208	890381
Reinsurance - external						
Death or disability lump sums	21	7720	8338	511	16569	18915
Disability periodic payments	22					
Surrender or partial surrender	23	9813	130250	3499	143562	126645
Annuity payments	24	923	6337	140	7400	6312
Lump sums on maturity	25	11832	53932	572	66336	53905
Total	26	30288	198857	4722	233867	205776
Reinsurance - intra-group						
Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34					
Lump sums on maturity	35					
Total	36					
Net of reinsurance						
Death or disability lump sums	41	5154	12494	705	18353	18380
Disability periodic payments	42					
Surrender or partial surrender	43	14960	82758	3311	101030	204130
Annuity payments	44	4620	54906	8429	67955	71246
Lump sums on maturity	45	33076	266061	4867	304004	390849
Total	46	57810	416219	17312	491341	684604

Form 43

Long-term insurance business : Analysis of expenses

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
Units	**£000**

		UK Life 1	UK Pension 2	Overseas 3	Total Financial year 4	Total Previous year 5
Gross						
Commission - acquisition	11					
Commission - other	12					
Management - acquisition	13		135		135	311
Management - maintenance	14	1337	30262	1239	32838	36255
Management - other	15	1966	44696	1821	48483	78424
Total	16	3303	75093	3060	81456	114990
Reinsurance - external						
Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26					
Reinsurance - intra-group						
Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36					
Net of reinsurance						
Commission - acquisition	41					
Commission - other	42					
Management - acquisition	43		135		135	311
Management - maintenance	44	1337	30262	1239	32838	36255
Management - other	45	1966	44696	1821	48483	78424
Total	46	3303	75093	3060	81456	114990

Form 46

Long-term insurance business : Summary of new business

Name of insurer	**Equitable Life Assurance Society**
Total business	
Financial year ended	**31 December 2010**
Units	**£000**

		UK Life 1	UK Pension 2	Overseas 3	Total Financial year 4	Total Previous year 5
Number of new policyholders/ scheme members for direct insurance business						
Regular premium business	**11**	15			15	6
Single premium business	**12**		2311	15	2326	2489
Total	**13**	15	2311	15	2341	2495
Amount of new regular premiums						
Direct insurance business	**21**	10	19241	46	19297	13471
External reinsurance	**22**					
Intra-group reinsurance	**23**					
Total	**24**	10	19241	46	19297	13471
Amount of new single premiums						
Direct insurance business	**25**	12	54450	394	54856	137611
External reinsurance	**26**					
Intra-group reinsurance	**27**					
Total	**28**	12	54450	394	54856	137611

Form 47

Long-term insurance business : Analysis of new business

Name of insurer	**Equitable Life Assurance Society**
Total business	
Financial year ended	**31 December 2010**
Units	**£000**
UK Life / Direct Insurance Business	

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
100	Conventional whole life with-profits OB	1	3		
120	Conventional endowment with-profits OB savings	1	0		
325	Level term assurance	13	7		
500	Life UWP single premium				2
700	Life property linked single premium				0
715	Life property linked endowment regular premium - savings		0		10

Form 47

Long-term insurance business : Analysis of new business

Name of insurer **Equitable Life Assurance Society**

Total business

Financial year ended **31 December 2010**

Units **£000**

UK Pension / Direct Insurance Business

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
380	Miscellaneous protection rider		1		
390	Deferred annuity non-profit			1	1
400	Annuity non-profit (CPA)			1995	24962
545	Individual deposit administration with-profits		293	3	5501
555	Group deposit administration with-profits		465	30	10629
565	DWP National Insurance rebates UWP			19	5707
725	Individual pensions property linked		643	12	510
735	Group money purchase pensions property linked		17839	106	2185
745	DWP National Insurance rebates property linked			2	2654
750	Income drawdown property linked			1	4
905	Index linked annuity			142	2297

Form 47

Long-term insurance business : Analysis of new business

Name of insurer — **Equitable Life Assurance Society**

Total business

Financial year ended — **31 December 2010**

Units — **£000**

Overseas / Direct Insurance Business

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
395	Annuity non-profit (PLA)			3	172
400	Annuity non-profit (CPA)			11	125
500	Life UWP single premium				1
510	Life UWP endowment regular premium - savings		0		0
545	Individual deposit administration with-profits		5		23
555	Group deposit administration with-profits		1		
715	Life property linked endowment regular premium - savings		0		48
725	Individual pensions property linked		39	1	24
735	Group money purchase pensions property linked		2		

Form 48

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

Name of insurer	**Equitable Life Assurance Society**
Category of assets	**10 Total long term insurance business assets**
Financial year ended	**31 December 2010**
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	226299	226299	9482	3.51	
Other fixed interest securities	13	319512	319512	18121	5.18	
Variable interest securities	14					
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18	21702	21702	122	0.56	
Total	19	567513	567513	27725	4.34	
Assets backing with-profits liabilities and with-profits capital requirements						
Land and buildings	21	320666	379462	16361	4.31	13.73
Approved fixed interest securities	22	1825857	1825857	84925	2.86	7.91
Other fixed interest securities	23	1687804	1690006	98342	5.23	8.80
Variable interest securities	24	241883	241883	2354	-0.27	9.39
UK listed equity shares	25	0	11256	0	0.00	4.57
Non-UK listed equity shares	26	0	32152	0	0.00	8.54
Unlisted equity shares	27	28459	90186	23	0.02	20.75
Other assets	28	1342555	1176421	5945	0.51	1.41
Total	29	5447224	5447224	207948	2.98	7.46
Overall return on with-profits assets						
Post investment costs but pre-tax	31					7.71
Return allocated to non taxable 'asset shares'	32					0.00
Return allocated to taxable 'asset shares'	33					0.00

Form 49

Long-term insurance business : Fixed and variable interest assets

Name of insurer	**Equitable Life Assurance Society**
Category of assets	**10 Total long term insurance business assets**
Financial year ended	**31 December 2010**
Units	**£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK Government approved fixed interest securities	**11**	1262266	7.41	2.85	2.85
Other approved fixed interest securities	**21**	789890	7.92	3.06	3.01
Other fixed interest securities					
AAA/Aaa	**31**	317180	5.69	4.19	3.98
AA/Aa	**32**	293191	8.00	4.95	4.51
A/A	**33**	809996	7.77	5.20	4.59
BBB/Baa	**34**	457944	6.87	5.76	4.49
BB/Ba	**35**	24232	9.10	7.09	2.21
B/B	**36**	6875	4.99	9.44	(2.07)
CCC/Caa	**37**	6354	5.10	6.23	(22.10)
Other (including unrated)	**38**	93747	5.41	6.26	(21.81)
Total other fixed interest securities	**39**	2009519	7.16	5.22	3.09
Approved variable interest securities	**41**	241883	10.92	(0.27)	(0.27)
Other variable interest securities	**51**				
Total (11+21+39+41+51)	**61**	4303558	7.58	3.82	2.81

Form 50

Long-term insurance business : Summary of mathematical reserves

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
Units	**£000**

		UK Life 1	UK Pension 2	Overseas 3	Total Financial year 4	Total Previous year 5
Gross						
Form 51 - with-profits	11	80823	36728	10681	128231	136886
Form 51 - non-profit	12	52045	718233	125119	895397	854082
Form 52	13	99915	4664448	73606	4837969	4629057
Form 53 - linked	14	111941	1867180	50558	2029678	1936203
Form 53 - non-linked	15	422	11675	2112	14208	21289
Form 54 - linked	16	17277	235745		253022	250998
Form 54 - non-linked	17	224	4652		4875	3015
Total	18	362645	7538660	262075	8163381	7831531
Reinsurance - external						
Form 51 - with-profits	21	84		34	118	128
Form 51 - non-profit	22	21053	329581	11326	361960	339316
Form 52	23	66	21828	1	21895	23400
Form 53 - linked	24	111941	1867180	50558	2029678	1936203
Form 53 - non-linked	25	422	11675	2112	14208	21289
Form 54 - linked	26	100	12646		12746	11902
Form 54 - non-linked	27		799		799	835
Total	28	133665	2243710	64030	2441405	2333075
Reinsurance - intra-group						
Form 51 - with-profits	31					
Form 51 - non-profit	32					
Form 52	33					
Form 53 - linked	34					
Form 53 - non-linked	35					
Form 54 - linked	36					
Form 54 - non-linked	37					
Total	38					
Net of reinsurance						
Form 51 - with-profits	41	80738	36728	10647	128114	136758
Form 51 - non-profit	42	30993	388652	113793	533437	514766
Form 52	43	99849	4642620	73605	4816073	4605656
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46	17177	223098		240276	239096
Form 54 - non-linked	47	224	3853		4076	2179
Total	48	228981	5294951	198044	5721976	5498456

Form 51

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

Name of insurer **Equitable Life Assurance Society**
Total business / subfund **ORDINARY LONG TERM**
Financial year ended **31 December 2010**
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	2016	46506	1240				23080
120	Conventional endowment with-profits OB savings	1992	16428	555				13146
125	Conventional endowment with-profits OB target cash	2756	88166	1794				37062
165	Conventional deferred annuity with-profits	268	1062	5				1824
205	Miscellaneous conventional with-profits		221					969
210	Additional reserves with-profits OB							4741
300	Regular premium non-profit WL/EA OB	417	5341	82				3473
315	Individual deposit administration non-profit	270	1175	1				4497
325	Level term assurance	29358	2421626	6046				7989
330	Decreasing term assurance	11460	519978	1833				219
390	Deferred annuity non-profit	70	105					89
395	Annuity non-profit (PLA)	1683	4202					34839
435	Miscellaneous non-profit	3814	445159	859				940

Form 51

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

Name of insurer **Equitable Life Assurance Society**
Total business / subfund **ORDINARY LONG TERM**
Financial year ended **31 December 2010**
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
120	Conventional endowment with-profits OB savings		1307	84				84
300	Regular premium non-profit WL/EA OB		5341	82				3473
315	Individual deposit administration non-profit		1175	1				4497
325	Level term assurance		2421626	6046				7989
330	Decreasing term assurance		519978	1833				219
390	Deferred annuity non-profit		105					89
395	Annuity non-profit (PLA)		756					3846
435	Miscellaneous non-profit		445159	859				940

Form 51

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

Name of insurer **Equitable Life Assurance Society**
Total business / subfund **ORDINARY LONG TERM**
Financial year ended **31 December 2010**
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	285	1201	5				2079
165	Conventional deferred annuity with-profits	198	791					1375
210	Additional reserves with-profits OB							33274
315	Individual deposit administration non-profit	383	2219	11				6187
325	Level term assurance	5452	335342	883				3445
330	Decreasing term assurance	240	5217	28				15
380	Miscellaneous protection rider		1422071	3927				7327
390	Deferred annuity non-profit	3808	10058					237728
400	Annuity non-profit (CPA)	26820	30575					461532
411	Group death in service dependant's annuities		7187	339				339
435	Miscellaneous non-profit	1657	164486	358				1658

Form 51

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

Name of insurer **Equitable Life Assurance Society**

Total business / subfund **ORDINARY LONG TERM**

Financial year ended **31 December 2010**

Units **£000**

UK Pension / Reinsurance ceded external

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
315	Individual deposit administration non-profit		2219	11				6187
325	Level term assurance		335342	883				3445
330	Decreasing term assurance		5217	28				15
380	Miscellaneous protection rider		1422071	3927				7327
390	Deferred annuity non-profit		10058					237728
400	Annuity non-profit (CPA)		3890					72880
411	Group death in service dependant's annuities		7187	339				339
435	Miscellaneous non-profit		164486	358				1658

Form 51

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

Name of insurer | **Equitable Life Assurance Society**
Total business / subfund | **ORDINARY LONG TERM**
Financial year ended | **31 December 2010**
Units | **£000**
Overseas / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
195	Annuity with-profits (PLA)	19	69					907
205	Miscellaneous conventional with-profits	20	1375	13				56
210	Additional reserves with-profits OB							9718
325	Level term assurance	1462	172202	509				757
330	Decreasing term assurance	1012	57507	229				13
380	Miscellaneous protection rider		7652	68				240
390	Deferred annuity non-profit	190	2343					7453
395	Annuity non-profit (PLA)	196	1211					12157
400	Annuity non-profit (CPA)	1154	7372					104499

Form 51

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

Name of insurer **Equitable Life Assurance Society**
Total business / subfund **ORDINARY LONG TERM**
Financial year ended **31 December 2010**
Units **£000**
Overseas / Reinsurance ceded external

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
205	Miscellaneous conventional with-profits		708	6				34
325	Level term assurance		172202	509				757
330	Decreasing term assurance		57507	229				13
380	Miscellaneous protection rider		7290	47				181
390	Deferred annuity non-profit		2343					7453
395	Annuity non-profit (PLA)		16					212
400	Annuity non-profit (CPA)		143					2710

Form 52

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

Name of insurer **Equitable Life Assurance Society**
Total business / subfund **ORDINARY LONG TERM**
Financial year ended **31 December 2010**
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	4178	46783		45097	44894	1799	46693
510	Life UWP endowment regular premium - savings	8508	192054	1641	34464	31833	3554	35388
555	Group deposit administration with-profits	2	12		12	12	0	12
575	Miscellaneous UWP	1996	1587	744	1587	866	85	950
610	Additional reserves UWP						16871	16871

Form 52

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

Name of insurer | **Equitable Life Assurance Society**
Total business / subfund | **ORDINARY LONG TERM**
Financial year ended | **31 December 2010**
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
510	Life UWP endowment regular premium - savings		14303				6	6
575	Miscellaneous UWP		119365				60	60

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

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
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
535	Group money purchase pensions UWP		21391		21391	21391	437	21828
545	Individual deposit administration with-profits	74387	1903743		1908404	1998968	36324	2035292
555	Group deposit administration with-profits	104204	904286		904286	891211	21811	913022
565	DWP National Insurance rebates UWP	123923	990751		990751	938973	29789	968762
570	Income drawdown UWP	2474	75359		75359	75359		75359
571	Trustee investment plan UWP	1	61		61	52	1	53
610	Additional reserves UWP						650133	650133

Form 52

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

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
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
535	Group money purchase pensions UWP		21391		21391	21391	437	21828

Form 52

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

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
Units	**£000**
Overseas / Gross	

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
500	Life UWP single premium	309	4677		4677	4657	94	4751
510	Life UWP endowment regular premium - savings	936	28230	740	14883	14710	47	14757
545	Individual deposit administration with-profits	519	7844	571	7844	9672	36	9708
545	Individual deposit administration with-profits Deferred annuity	1120	29488		29488	27090	1304	28394
555	Group deposit administration with-profits	844	8092		8092	6945	1056	8000
570	Income drawdown UWP	9	408		408	408		408
575	Miscellaneous UWP	2	30	1	2	1	0	1
610	Additional reserves UWP						7587	7587

Form 52

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

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
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
510	Life UWP endowment regular premium - savings		4976				1	1
575	Miscellaneous UWP		30				0	0

Form 53

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

Name of insurer | **Equitable Life Assurance Society**
Total business / subfund | **ORDINARY LONG TERM**
Financial year ended | **31 December 2010**
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	1134	44299		44543	44543	23	44567
710	Life property linked whole life regular premium	704	15178	89	15860	15860	30	15890
715	Life property linked endowment regular premium - savings	2295	72529	1293	49981	49981	351	50332
735	Group money purchase pensions property linked	1	10		10	10		10
795	Miscellaneous property linked	377	24411	135	1547	1547	17	1564

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

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
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
700	Life property linked single premium		44299		44543	44543	23	44567
710	Life property linked whole life regular premium		15178	89	15860	15860	30	15890
715	Life property linked endowment regular premium - savings		72529	1293	49981	49981	351	50332
735	Group money purchase pensions property linked		10		10	10		10
795	Miscellaneous property linked		24411	135	1547	1547	17	1564

Form 53

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

Name of insurer **Equitable Life Assurance Society**

Total business / subfund **ORDINARY LONG TERM**

Financial year ended **31 December 2010**

Units **£000**

UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
725	Individual pensions property linked	82403	980788		980706	980706	2539	983245
735	Group money purchase pensions property linked	60469	436469		436469	436469	9099	445568
745	DWP National Insurance rebates property linked	34438	388876		388876	388876		388876
750	Income drawdown property linked	629	28670		28670	28670	2	28671
755	Trustee investment plan	1	18		18	18		18
795	Miscellaneous property linked	948	2734		32441	32441	35	32476

Form 53

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

Name of insurer **Equitable Life Assurance Society**

Total business / subfund **ORDINARY LONG TERM**

Financial year ended **31 December 2010**

Units **£000**

UK Pension / Reinsurance ceded external

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
725	Individual pensions property linked		980788		980706	980706	2539	983245
735	Group money purchase pensions property linked		436469		436469	436469	9099	445568
745	DWP National Insurance rebates property linked		388876		388876	388876		388876
750	Income drawdown property linked		28670		28670	28670	2	28671
755	Trustee investment plan		18		18	18		18
795	Miscellaneous property linked		2734		32441	32441	35	32476

Form 53

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

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
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	29	473		462	462	36	498
715	Life property linked endowment regular premium - savings	768	22715	122	19434	19434	284	19717
725	Individual pensions property linked	1294	20317		20317	20317	1113	21430
735	Group money purchase pensions property linked	326	6435		6435	6435	461	6896
750	Income drawdown property linked	4	372		372	372	0	372
795	Miscellaneous property linked	195	3539	215	3539	3539	217	3756

Form 53

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

Name of insurer **Equitable Life Assurance Society**
Total business / subfund **ORDINARY LONG TERM**
Financial year ended **31 December 2010**
Units **£000**
Overseas / Reinsurance ceded external

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
700	Life property linked single premium		473		462	462	36	498
715	Life property linked endowment regular premium - savings		22715	122	19434	19434	284	19717
725	Individual pensions property linked		20317		20317	20317	1113	21430
735	Group money purchase pensions property linked		6435		6435	6435	461	6896
750	Income drawdown property linked		372		372	372	0	372
795	Miscellaneous property linked		3539	215	3539	3539	217	3756

Form 54

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

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
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
900	Life index linked single premium	7	82		82	82		82
905	Index linked annuity	249	1161		17177	17177	224	17401
910	Miscellaneous index linked		18	0	18	18		18

Form 54

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

Name of insurer: **Equitable Life Assurance Society**
Total business / subfund: **ORDINARY LONG TERM**
Financial year ended: **31 December 2010**
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
900	Life index linked single premium		82		82	82		82
910	Miscellaneous index linked		18	0	18	18		18

Form 54

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

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
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
905	Index linked annuity	3780	13046		231864	231864	3866	235729
910	Miscellaneous index linked	116	3881		3881	3881	786	4667

Form 54

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

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
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
905	Index linked annuity		304		8765	8765	13	8778
910	Miscellaneous index linked		3881		3881	3881	786	4667

Form 56

Long-term insurance business : Index linked business

Name of insurer **Equitable Life Assurance Society**

Total business

Financial year ended **31 December 2010**

Units **£000**

		Value of assets	Mean Term
		1	2
Analysis of assets			
Approved variable interest securities	11	215243	14.01
Other variable interest securities	12	24032	7.63
Approved fixed interest securities	13		
Other fixed interest securities	14		
Cash and deposits	15		
Equity index derivatives	16		
Inflation swaps	17		
Other assets	18	1000	
Variation margin	19		
Total (11 to 19)	20	240276	
Credit rating of other fixed interest and other variable interest securities			
AAA/Aaa	31		
AA/Aa	32		
A/A	33		
BBB/Baa	34		
BB/Ba	35		
B/B	36		
CCC/Caa	37		
Other (including unrated)	38		
Total other fixed interest and other variable interest securities	39		

Form 57
(Sheet 1)

Long-term insurance business: Analysis of valuation interest rate

Name of insurer **Equitable Life Assurance Society**

Total business **ORDINARY LONG TERM**

Financial year ended **31 December 2010**

Units **£000**

Product group 1	Net mathematical reserves 2	Net valuation interest rate 3	Gross valuation interest rate 4	Risk adjusted yield on matching assets 5
UK L&G Form 51 With Profits Policies - deferred annuities	1854	3.60	3.60	4.07
UK L&G Form 51 With Profits Policies - other	78884	2.88	3.60	4.07
UK L&G Form 51 With Profits Policies - Non-Profit annuities in payment post 1991	16266	4.19	4.66	4.67
UK L&G Form 51 With Profits Policies - Non-Profit annuities in payment pre 1992	14727	4.66	4.66	4.67
UK L&G Form 52 With Profits Policies (net)	33491	2.88	3.60	4.07
UK L&G Form 52 With Profits Policies (net) short term business	66343	0.88	1.10	1.75
UK L&G Form 52 With Profits Policies (gross)	15	3.60	3.60	4.07
UK L&G Form 54 Annuity in payment - Index Linked post 1991	15449	0.47	0.52	0.55
UK L&G Form 54 Annuity in payment - Index Linked pre 1992	1951	0.52	0.52	0.55
UK Pens Form 51 With Profits Policies	36728	3.60	3.60	4.07
UK Pens Form 51 Non Profit annuity in payment	388652	4.66	4.66	4.67
UK Pens Form 52 With Profits Policies	3211225	3.60	3.60	4.07
UK Pens Form 52 With Profits Policies short term business	1225892	1.10	1.10	1.75
UK Pens Form 52 With Profits - miscellaneous	205502	0.00	0.00	0.69
UK Pens Form 54 Annuity in payment - Index Linked	226951	0.52	0.52	0.55
OVS Form 51 With Profits Policies - annuities in payment	911	3.50	3.50	4.07
OVS Form 51 With Profits Policies (net)	22	2.88	3.60	4.07
OVS Form 51 With Profits Policies (gross)	9718	3.60	3.60	4.07
OVS Form 51 Non profit - annuities in payment	113793	4.66	4.66	4.67
Total				

Form 57
(Sheet 2)

Long-term insurance business: Analysis of valuation interest rate

Name of insurer **Equitable Life Assurance Society**

Total business **ORDINARY LONG TERM**

Financial year ended **31 December 2010**

Units **£000**

Product group 1	Net mathematical reserves 2	Net valuation interest rate 3	Gross valuation interest rate 4	Risk adjusted yield on matching assets 5
OVS Form 52 With Profits Policies (net)	2845	2.88	3.60	4.07
OVS Form 52 With Profits Policies (net) short term business	4404	0.88	1.10	1.75
OVS Form 52 With Profits Policies (gross)	42765	3.60	3.60	4.07
OVS Form 52 With Profits Policies (gross) short term business	5039	1.10	1.10	1.75
OVS Form 52 With Profits - miscellaneous	18575	0.00	0.00	4.07
Total	5722004			

Form 58

Long-term insurance business : Distribution of surplus

Name of insurer	**Equitable Life Assurance Society**
Total business / subfund	**ORDINARY LONG TERM**
Financial year ended	**31 December 2010**
Units	**£000**

		Financial year 1	Previous year 2
Valuation result			
Fund carried forward	11	5722004	5498486
Bonus payments in anticipation of a surplus	12	18946	21725
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	5740950	5520211
Mathematical reserves	21	5721976	5498456
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	18974	21755
Composition of surplus			
Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	18974	21755
Total	39	18974	21755
Distribution of surplus			
Bonus paid in anticipation of a surplus	41	18946	21725
Cash bonuses	42		
Reversionary bonuses	43	28	30
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	18974	21755
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	18974	21755
Surplus carried forward	49		
Total (48+49)	59	18974	21755
Percentage of distributed surplus allocated to policyholders			
Current year	61	100.00	100.00
Current year - 1	62	100.00	100.00
Current year - 2	63	100.00	100.00
Current year - 3	64	100.00	100.00

Form 59A

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

Name of insurer **Equitable Life Assurance Society**

Original insurer **Equitable Life Assurance Society**

Date of maturity value / open market option **01 March 2011**

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	9838	579	n/a	CWP	N	9838
Endowment assurance	20	16007	942	n/a	CWP	N	16007
Endowment assurance	25	26512	2247	n/a	CWP	N	26512
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	45920	0	n/a	UWP	N	45920
Regular premium pension	20	71707	0	n/a	UWP	N	71707
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	17814	0	n/a	UWP	N	17814
Single premium pension	20	26243	0	n/a	UWP	N	26243

Form 59B

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

Name of insurer **Equitable Life Assurance Society**

Original insurer **Equitable Life Assurance Society**

Date of surrender value **01 March 2011**

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	8931	0	n/a	CWP	Y	17742
Endowment assurance	20	15013	0	n/a	CWP	Y	20968
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

Form 60

Long-term insurance capital requirement

Name of insurer **Equitable Life Assurance Society**

Global business

Financial year ended **31 December 2010**

Units **£000**

		LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year
		1	2	3	4	5	6
Insurance death risk capital component							
Life protection reinsurance	11	0.0%					
Classes I (other), II and IX	12	0.1%					
Classes I (other), II and IX	13	0.15%			0.50		
Classes I (other), II and IX	14	0.3%	5987776	339617		8982	10210
Classes III, VII and VIII	15	0.3%	25728		0.50	39	58
Total	16		6013505	339617		9020	10267
Insurance health risk and life protection reinsurance capital component							
Class IV supplementary classes 1 and 2 and life protection reinsurance	21					45	37
Insurance expense risk capital component							
Life protection and permanent health reinsurance	31	0%					
Classes I (other), II and IX	32	1%	5861565	5477652	0.93	54777	52641
Classes III, VII and VIII (investment risk)	33	1%	268684	244352	0.91	2444	2344
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%	17500		0.85	149	142
Classes III, VII and VIII (other)	35	25%					
Class IV (other)	36	1%	71		0.85	1	1
Class V	37	1%					
Class VI	38	1%					
Total	39					57369	55128
Insurance market risk capital component							
Life protection and permanent health reinsurance	41	0%					
Classes I (other), II and IX	42	3%	5861565	5477652	0.93	164330	157923
Classes III, VII and VIII (investment risk)	43	3%	268684	244352	0.91	7331	7031
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%	17500				
Classes III, VII and VIII (other)	45	0%	2015588				
Class IV (other)	46	3%	71		0.85	2	2
Class V	47	0%					
Class VI	48	3%					
Total	49		8163409	5722004		171662	164956
Long term insurance capital requirement	51					238097	230388

RETURNS UNDER INSURANCE COMPANIES LEGISLATION

THE EQUITABLE LIFE ASSURANCE SOCIETY

FINANCIAL YEAR END 31 DECEMBER 2010

SUPPLEMENTARY NOTES TO THE RETURN

0301 Net Admissible Assets and Capital Resources

Valuation differences between assets in Form 3 and assets in Forms 13 and 14 are illustrated below:

Description	Reference	£000
Net Admissible Assets	Form 13 Line 89	6,255,013
Mathematical Reserves	Form 14 Line 11	(5,722,004)
Other Insurance Liabilities	Form 14 Line 49	(173,809)
Total Capital Resources	Form 3 Line 79	359,200

0310 Positive Valuation Difference

The positive valuation difference detailed in line 14 represents the difference between the value of with-profits liabilities as valued in accordance with the FSA Handbook of rules and guidance and the value of with-profits liabilities that the Society has used in its external financial reporting to comply with FRS 27 and the Financial Reporting Council – Board of Actuarial Standards guidance note 45 (section 3.3.3.1 relevant to closed funds).

1308 Aggregate Values

The aggregate value of unlisted investments included at lines 41, 42, 46 or 48 which have been valued in accordance with GENPRU rule 1.3 is £4.1m (2009: £17.3m).

Part of the Society's assets is invested in property (including property unit trusts) and unlisted equity, amounting to £451m at year end 2010 (2009: £657m). In adverse market conditions, it may not be possible to realise these investments without delay.

The aggregate value of investments in collective investment schemes in line 43 that are not schemes falling within the UCITS Directive are £68.5m (2009: £68.9m).

1309 Aggregate Value of Hybrid Securities

The aggregate value of hybrid securities included at lines 46 or 48 is £109.2m (2009: £125.6m).

1310 Amounts Receivable and Payable

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

1312 Large Counterparty Exposures

There were no exposures to counterparties at the end of the financial year exceeding 5% of the Society's base capital resources requirement and long-term insurance liabilities, excluding property linked liabilities and net of reinsurance ceded.

1318 Other asset adjustments

The Society has adopted 'FRS26 Financial Instruments: Measurement' in the preparation of its external financial reporting. As a result, the reinsurers' share of technical provisions reported on Form 13 differs from that recorded in the Society's Annual Statutory Report and Accounts. The difference, £13.9m (2009: £20.7m), is recorded on Line 101 of Form 13.

1319 Investment Guidelines, Maximum Counterparty Exposure

The maximum amount that the investment manager is permitted to expose the funds of the Society to any one Counterparty is controlled by the following limits for individual entities or groups including exposure across significant asset classes as follows;

Maximum investment in any individual entity or group	% of total fixed interest
Supranational and Government guaranteed "AAA" rated	5.00%
Other "AAA"	2.00%
"AA" rated	2.00%
"A" rated	1.00%
"BBB" rated	0.50%

All new purchases should be rated as BBB- or above at the time of purchase. Certain specified securities (known as 'grandfathered' securities) are excluded from these limits. These are securities which were historically held by the Society, which will be sold down when market conditions are considered favourable.

The Society has no appetite to actively increase it's exposure to illiquid securities. As such, unless it receives prior approval from the Society, the investment manager is not permitted to purchase securities which it deems to be illiquid at the time of purchase.

Additionally, as a further step, the maximum of the outstanding amount of any one issue that may be held shall be 5%. For Medium Term Notes, Asset Backed Securities and Mortgage-backed Securities issues, such percentages shall be measured against the issue in the aggregate rather than against the individual tranches of such issue.

For any individual group or entity that is classified as Supranational or Government Guaranteed by the investment manager and is rated "AAA", the maximum of the outstanding amount of any one issue that may be held shall be 15%.

1401 Provision for Adverse Changes

Investment guidelines for the use of conventional derivatives operated throughout the year and did not permit the writing of uncovered call options. Consequently, no provision for adverse changes is considered necessary.

1402 Charges, Contingent Liabilities, Guarantees, Indemnities and Contractual Commitments

No liabilities included in Form 14 are secured by a charge.

There exist some uncertainties that, if they were to materialise, could adversely impact on the financial position of the Society. Over the last few years, these uncertainties have been addressed to a very significant extent, and the range of possible outcomes has continued to narrow.

The major development during 2010 was Government's announcement of a payment scheme in response to the Parliamentary Ombudsman's report into the regulatory handling of the Society. In contrast, there was little change in respect of the 91 claims against the Society in district courts across Germany where the cases have all been defended successfully so far. Also outstanding are investigations initiated by the Accountancy and Actuarial Disciplinary Board ("AADB"). The AADB are investigating an accountant and an actuary in respect of the provision of information for use by the Financial Reporting Review Panel relating to the financial statements of Equitable Life in 1999. The actuary is also being investigated by the AADB in relation to audits of the 1997, 1998 and 1999 financial statements. The AADB is also investigating the conduct of certain actuaries in relation to the provision of advice by, or on behalf of, the Government Actuary's Department to prudential regulators.

It is not considered that the uncertainties described above represent a significant financial threat, and it is considered that the risk of any material new issues arising for the Society appears limited.

The Board continues to closely monitor the contractual commitments the Society has in respect of the two pension schemes for which HBOS is principal employer. There remains a possibility that it may be necessary for a more conservative basis to be adopted in future in calculating the Society's obligations.

Additionally, there remains a risk to the Society that investment conditions change or policyholders defer their retirement, which may materially alter the calculations of technical provisions for policy liabilities.

The process of transferring administration services back to the Society brings with it a range of operational risks, which makes the estimation of future costs more uncertain, and will require careful management. The Society has arrangements in place for identifying, monitoring and managing these risks.

The financial position of the Society has been projected under a range of economic scenarios, in order to assess how robust it remains in adverse conditions. The projections make allowance for capital distribution. The Board has also considered the level of contingent liabilities in its analysis of the Society's financial position and considers that these have reduced in significance in recent years. Based on these analyses, the Board is confident of its ability to manage adverse scenarios that may arise, recognising that in some scenarios very strong action to reduce policyholder payouts would be required.

The Board has assessed these uncertainties using the latest available information and has concluded that it is appropriate to prepare this return on a going concern basis.

1405 Reconciliation of Total Liabilities to Financial Statements

The value in line 74 represents the difference between the value of liabilities as valued in accordance with FSA Handbook of Rules and Guidance and the value of liabilities detailed in external financial reporting to comply with FRS27 and the Financial Reporting Council - Board of Actuarial Standards guidance note 45 (section 3.3.3.1 relevant to closed funds).

1701 Treatment of the variation margin

The aggregate excess variation margin received in respect of derivatives in 2010 was £0.8m (2009: £3.0).

The variation margin is included within line 54 of Form 13.

The liability to repay the excess variation margin at the end of 2010 is reflected in line 54 of Form 13.

4002 Other Income

Other Income is comprised of the following:

	2010	2009
	£'000	**£'000**
Stock Lending commission	526	640
Investment management fee rebate	750	1,008
Other Income	763	1,227
	2,039	2,875

4005 Income and Expenditure Translation

Foreign currency values for income and expenditure have been translated at rates of exchange ruling at the time of the respective transactions.

4008 Management Services

During 2010, substantially all management services for The Equitable Life Assurance Society have been provided by Lloyds Banking Group. Investment services transferred from Insight Investment Management (Global) Limited to BlackRock Investment Management (UK) Limited in October 2010. Property administration services have remained with Invista Real Estate Investment Management throughout 2010.

4010 Investment Income from Linked Assets

Included within line 12 is £4.3m of income earned on linked assets.

4803 Assumed redemption dates

For callable securities with a range of redemption (or option) dates we take advice from our investment managers as to the most likely date of redemption. Remaining securities are assumed to be redeemed at the earliest or latest redemption (or option) date, whichever gives the lower yield. The value of 'approved fixed interest securities' and 'other fixed interest securities' with variable redemption (or option) dates are £127,601 and £270,017,156 respectively.

Irredeemable assets with no first option date are assumed to have a redemption date in 2049.

Property and equity are assumed not to be redeemed.

4806 Assets used to calculate the investment returns

All assets in column 2 have been used to calculate the investment returns in column 5.

4807 Return allocated to Asset Shares

The return allocated to asset shares is an increase of 0.0% for pension contracts and 0.0% for life contracts. This is the return allocated by the Board, after consideration of all risks, reserving and capital matters.

4901 Rating agencies

The credit rating used is the lower of Moody's, Standard & Poor's and Fitch (if available).

In the absence of such ratings, one is supplied by BlackRock Investment Management (UK) Limited; the Society's third party investment manager who is not connected with the Society.

Any fixed interest elements of collective investment schemes in column 1 allocated to column 2 of Form 48 are classified as unrated.

4902 Negative redemption yield

The allowance made for risk of default of income and redemption payments on fixed interest corporate bonds has led to negative redemption yields for assets in ratings categories "B/B", "CCC/Caa" and "Other (including unrated)".

The negative yield on approved variable interest securities is due to negative real yields at short durations.

5102 Policy count

The benefits under code 380 are attributable to life cover and death in service benefits attached to individual and group policies in codes 545, 555, 725 and 735. The policy count has been set to zero to avoid double counting.

5201 Group scheme member count

There are 42 Final Salary schemes included in code 555 where benefits are not required at member level. Column 3 has been set to zero for these policies.

5202 Group scheme member count

There are three schemes in the figures for code 555 where the number of members has been approximated to 100. These schemes are administered by a third party.

5203 Policy count

Where a policy has both with-profits and unit linked benefits the policy count has been entered on Form 53.

5301 Group scheme member count

There are 28 Final Salary schemes included in code 735 where benefits are not required at member level. Column 3 has been set to zero for these policies.

5302 Policy count

Where a policy has both with-profits and unit linked benefits the policy count has been entered on Form 53.

5303 Miscellaneous reserves

The reserves of £37.796m under code 795 are attributable to property linked immediate annuities (£33.501m), property linked deferred annuities (£3.756m), property linked health products (£0.482m) and Building Society linked endowment assurance (£0.057m).

5702 Section 148 Waiver - Determination of Rates of Interest on Fixed Interest Securities

The Financial Services Authority, on the application of the firm, made a direction under section 148 of the Act in December 2007. The effect of the direction is to modify INSPRU 3.1.35 to require the firm to calculate the yield on certain categories of fixed interest security on an aggregate basis.

5703 Classification of Product Groups

The product groups set out in Form 57 reflect the changes in determining the interest rate for various classes of with profit contracts as noted in appendix 9.4.

5901 Market Value Adjustment

For CWP contracts no explicit MVA is applied as part of the surrender basis. Surrender values are set so that they are comparable to UWP policies on surrender.

6001 Class IV business and supplementary accident and sickness insurance

Forms 11 and 12 are not completed, as the gross annual office premiums for the relevant classes are less than 1% of the total gross annual office premiums. The figure in line 21 of Form 60 exceeds the amount that would be obtained had Forms 11 and 12 been completed and is calculated as follows:

These classes are 100% reinsured and closed to new business.

Premiums are payable monthly and so the premiums earned and receivable are essentially the same. The premiums to the supplementary accident and sickness insurance were £37,852 and the premiums to Class IV business were £853,997. The 'premiums amount' is therefore 0.18 x (£37,852 + £853,997 / 3) x 0.5 = £29,027

Claims in the last 12 months were nil for the supplementary accident and sickness insurance and £1,042,507 for the Class IV business. The 'claims amount' is therefore 0.26 x (0 + £1,042,507 / 3) x 0.5 = £45,175. Therefore, 'claims amount' of £45,175 is used.

THE EQUITABLE LIFE ASSURANCE SOCIETY

REGULATORY VALUATION REPORT

Introduction

1. (1) The date of the valuation was 31 December 2010.

   (2) The date of the previous valuation was 31 December 2009.

   (3) The date of the interim valuation was 30 June 2010.

Product range

2. There were no significant changes to the Society's product range. The Society is closed to new business except by increment.

Discretionary charges and benefits

3. (1) A market value reduction (or equivalent) was applied throughout 2010 for non-contractual withdrawals from all with-profits contracts.

   (2) There were no changes to the basis for setting premiums on reviewable protection policies during the year.

   (3) The interest rate added to non-profit deposit administration policies varied depending on the date the policy commenced. This rate is fixed until benefits are taken.

   (4) There were no changes to service charges on linked policies.

   (5) There were no changes to benefit charges on linked policies.

   (6) There were no changes to the method and basis for management charges on unit-linked or accumulating with-profits policies.

   (7) – (10) All linked liabilities are wholly reassured with Halifax Life and Clerical Medical Managed Funds Limited. Linked fund prices mirror those set by the reassurer.

Valuation Basis

4. The bases (and methodology) are set out in the following paragraphs.

   (1) General

   The main method used was that of a gross premium valuation with specific reserves for the future expenses of running the business.

   Accumulating with-profits policies

   For accumulating with-profits policies in the Basic Life Assurance and General Annuity and Pension Business Funds which were grouped by calendar year of vesting date, it has been assumed that the vesting date falls in the middle of the group year.

The liability was calculated by discounting the guaranteed benefits (including any declared and attaching bonus) with an allowance for guaranteed investment return (GIR) where appropriate. Policies effected before 1 July 1996 have a GIR of 3.5% p.a. (with the exception of some Retirement Annuity policies effected prior to 1 October 1975 that have a GIR of 2.5% p.a.) and policies effected on or after 1 July 1996 have a GIR of 0.0% p.a.

For policies with flexible retirement dates, the dates at which retirement benefits are assumed to be taken are based on an amounts analysis of recent Society experience and are set out in section 4 (8).

Certain pension policies also contain a guaranteed minimum level of pension. The liability for these policies was set to the higher of the discounted cash fund and declared bonus cash fund or the discounted value of the guaranteed minimum pension at retirement. The reserves were calculated using the same mortality and expense basis and methodology used to value annuities in payment but with interest appropriate to pre retirement pension policies. This value was then discounted to the valuation date using interest and mortality for pre retirement pension policies.

For with-profits managed pension policies, school fee trust plans and with-profits personal pension trustee income drawdown policies, the current full value of the guaranteed fund and attaching declared bonus fund was reserved.

The attributable expense reserves are based on the ongoing costs directly relating to administration derived from the current expected future expenses of the Society. These will be covered by the policy fees from gross policies before their assumed benefit payment dates. None of these expenses are therefore assumed to be covered by policy fees on policies past their assumed benefit payment date, which includes all managed pension contracts. These expenses are assumed to increase in line with inflation. For policies with flexible retirement dates the dates at which retirement benefits are assumed to be taken are based on a lives analysis of recent Society experience and are set out in section 4 (8).

Annuities

Life immediate annuities were valued individually assuming payments are continuous. Joint-life and last survivor annuities were valued individually by equivalent factors based on the ages of the respective lives and the incidence of payments. Outstanding guaranteed periods and escalation in payment are also allowed for in the valuation where applicable.

Temporary immediate annuities were valued as annuities certain.

For with-profits immediate annuities the liability was calculated by valuing the guaranteed payments and attaching bonus payments.

Conventional Business

For the main classes of annual premium business the liability was calculated by deducting from the value of the guaranteed benefits, including vested bonus additions, the value of office premiums receivable after deducting from these a provision for future expenses.

Whole life assurances were valued individually and the factors for valuing sums assured and bonuses were increased by one half-year's interest to allow for immediate payment of claims.

Endowment assurances were grouped according to the calendar year of maturity and attained age. An allowance was made for immediate payment of claims.

Level temporary assurances and decreasing temporary assurances (other than those tabulated below) were valued individually. An allowance was made for the immediate payment of claims.

Assurances upon sub-standard lives were valued as though they were upon normal lives assured at the tabular rates of premium and the valuation liability was increased by the amount of one year's extra premium.

Surrender Value Reserve

For accumulating with-profits business, an additional reserve for the amount of a cash payment secured by the exercise of an option to surrender the policy has been calculated in accordance with INSPRU 1.2.71R. This is calculated by comparing the "normal" policy reserve obtained using the gross premium valuation method applied to the guaranteed benefits for accumulating with-profits policies as described earlier in section 4 (1) plus the allowance for future expenses as described in paragraph 4 (6), with the lower of:

- the current surrender value that could reasonably be expected to be paid having regard to the representations made to policyholders, and
- that value disregarding discretionary adjustments (i.e. disregarding both the financial adjustment and final bonus beyond the current guaranteed value).

Where the "normal" reserve is higher, no additional reserve is held. Where it is lower, the difference is held within this additional reserve.

The bases to be used in the event of surrender or transfer are not guaranteed, and the primary objective when setting the basis is to protect the interests of the continuing with-profits policyholders. In the event of a significant level of policy discontinuances, the Society reserves the right to reduce surrender payments. If it were required in order to protect solvency, surrender payouts could be made equal to the discounted value of the guaranteed benefits.

An additional reserve is also calculated for conventional with-profits business, in a similar way to that described above.

Unit Linked

The unit liability under all linked contracts was valued by taking the number of units deemed to attach to policies multiplied by the valuation price per unit. The valuation prices match those set by Halifax Life for liabilities reinsured through Halifax Life. The valuation prices match those set by Clerical Medical Managed Funds Limited (CMMF) for liabilities reinsured through CMMF. The business is fully reinsured.
The unit liability under all contracts linked directly to the Halifax UK Growth OEIC was valued by taking the number of units deemed to attach to policies multiplied by the mid price of Halifax UK Growth OEIC shares on the valuation date.

The non-unit liability was calculated using a per policy projected cash flow methodology. The only non-linked liabilities are in respect of expenses and mortality and are described in section 4 (4) and 4 (6) below.

Other Business

For with-profits Flexible Protection Plans and German Deferred Annuity policies, which were grouped by calendar year of maturity date or annuity vesting date as appropriate, it has been assumed that the maturity or vesting date falls in the middle of the group year. The liability was calculated by discounting the guaranteed fund and attaching bonuses where appropriate and adding the amount of the current month's mortality charge deduction.

With-profits Bonds, with-profits Personal Investment Plans, with-profits Personal Pension Trustee Investment policies and with-profits International Investment Plans were grouped by calendar year of the next option date on which full withdrawal can be made on guaranteed terms. For this purpose the guaranteed fund and bonuses attaching to different single premiums paid to the policy were included in the appropriate group years. It has been assumed that the next option date falls in the middle of the group year. The liability was calculated by discounting the guaranteed fund and attaching bonuses.

Recurrent single premium death-in-service group pension arrangements were valued using one year’s premium.

(2) Interest rates used are set out in the following table:

With-profits business classes are split into short- and long-term business in accordance with the average remaining term of the class.

Product group	Rate at 31 December 2010	Rate at 31 December 2009
UK non-profit annuities (Pensions)	4.66%	5.00%
UK non-profit annuities pre-1992 (Life)	4.66%	5.00%
UK non-profit annuities post-1991 (Life)	4.19%	4.50%
Overseas non-profit annuities (Pensions)	4.66%	5.00%
German with-profits annuities (Life)	3.50%	3.50%
UK index-linked annuities pre-1992 (Life)	0.52%	0.54%
UK index-linked annuities post-1991 (Life)	0.47%	0.49%
UK index-linked annuities (Pensions)	0.52%	0.54%
Long-term pension contracts	3.60%	4.00%
Short-term pension contracts	1.10%	4.00%
UK with-profits endowments and whole life	2.88%	3.20%
UK term assurance	2.78%	3.10%
UK with-profits long-term policies (Flexible Protection Plan, Regular Savings Plan, Major Medical Cash Plan, Critical Illness Plan)	2.88%	3.20%
UK with-profits short-term policies (With-Profits Bond, Personal Investment Plan)	0.88%	3.20%
Overseas with-profits policies (Life)	2.88%	3.20%
UK non-profit annuities in deferment (Pensions)	3.50%	3.90%

(3) Yields on assets are reduced to allow for risk as follows:-

Equity shares are assumed to have no yield.

Property (and property unit trust) yields are capped at 6.5%.

The rates of interest on fixed interest securities have been determined using an aggregate yield basis, i.e. by calculating the rate of interest as the rate which equates the aggregate market value to the discounted value of the aggregate cash flows. The fixed interest portfolio (excluding convertible fixed interest securities) has been separated into two segments of securities which have like attributes (being the categories on Forms 48 and 49), i.e.:

- approved fixed interest securities, and
- other fixed interest securities.

Yields on approved fixed interest assets with credit ratings of "exceptionally or extremely strong" or "very strong" are not reduced for risk.

At the 31 December 2007 valuation, all other fixed interest assets had their yield reduced by reference to historic default rates. These were based on 20 years of Moody's data and represented the mean default rate plus two standard deviations plus a 40% margin for prudence. These default rates were increased by a factor of 140% for the valuation at 31 December 2009. This allowance for default was set with regard to the Bank of England's analysis of the decomposition of corporate bond spreads, market assessment of default risk in the Credit Default Swap market, and the pessimistic view from the range of expected default outcomes presented by the Society's investment managers. After consideration of the most recent market data available and in absence of any actual defaults on the Society's portfolio, the future default allowance for A and BBB rated bonds has been reduced at the 2010 year end. The allowance for defaults ascribes 38% of the credit spread seen on the Society's corporate bond portfolio to be due to default risk. The overall strength broadly equates to the mean default rate plus two standard deviations. The assumptions used to reduce the yield are shown in the following table:

Credit Rating	**Yield Reduction at 31 December 2010**	**Yield Reduction at 31 December 2009**
AAA	0.20%	0.20%
AA+	0.25%	0.25%
AA	0.35%	0.35%
AA-	0.47%	0.47%
A+	0.48%	0.64%
A	0.50%	0.88%
A-	0.67%	1.20%
BBB+	0.83%	1.63%
BBB	1.00%	2.23%
BBB-	3.04%	3.04%
BB+	4.15%	4.15%
BB	5.65%	5.65%
BB-	7.71%	7.71%
B+	10.51%	10.51%
B	14.34%	14.34%
B-	19.55%	19.55%
CCC	26.67%	26.67%
CC	26.67%	26.67%

Non-rated stocks are treated as having rating CC.

For stocks with variable redemption dates we have taken the view of investment advisors and set the redemption date to the expected redemption date and taken into account any anticipated changes to income until this date.

Where our investment advisors have no view as to the likely redemption date and where the income yield was greater than the gross redemption yield, the stocks were assumed to redeem at the earliest date.

(4) The mortality rates are summarised in the following tables:

(i) Immediate Annuities

Product Group	**Table at 31 December 2010 in possession**	**Complete expectation of life**		**Table at 31 December 2009 in possession**	**Complete expectation of life**	
		65	**75**		**65**	**75**
UK non-profit annuities (Pensions)	87.5%PNMA00mc U=2013 80.0%PNFA00mc U=2013	Male 24.6 Female 27.9	Male 15.3 Female 18.0	87.5%PNMA00mc U=2012 80.0%PNFA00mc U=2012	Male 24.4 Female 27.6	Male 15.1 Female 17.8
UK non-profit annuities (Life)	72.5%IML00ult U=2010 77.5%IFL00ult U=2010	Male 24.6 Female 27.1	Male 15.1 Female 17.0	72.5%IML00ult U=2009 77.5%IFL00ult U=2009	Male 24.5 Female 27.1	Male 15.1 Female 16.9
Overseas with-profits annuities (Life)	87.5%PNMA00mc U=2013 80.0%PNFA00mc U=2013	Male 24.6 Female 27.9	Male 15.3 Female 18.0	87.5%PNMA00mc U=2012 80.0%PNFA00mc U=2012	Male 24.4 Female 27.6	Male 15.1 Female 17.8
Overseas non-profit annuities (Pensions)	87.5%PNMA00mc U=2013 80.0%PNFA00mc U=2013	Male 24.6 Female 27.9	Male 15.3 Female 18.0	87.5%PNMA00mc U=2012 80.0%PNFA00mc U=2012	Male 24.4 Female 27.6	Male 15.1 Female 17.8
UK unit-linked annuities (Pensions)	80.0%PNMA00mc U=2013 65.0%PNFA00mc U=2013	Male 25.5 Female 29.9	Male 16.0 Female 19.7	80.0%PNMA00mc U=2012 65.0%PNFA00mc U=2012	Male 25.2 Female 29.6	Male 15.8 Female 19.5
UK index-linked annuities (Life)	72.5%IML00ult U=2010 77.5%IFL00ult U=2010	Male 24.6 Female 27.1	Male 15.1 Female 17.0	72.5%IML00ult U=2009 77.5%IFL00ult U=2009	Male 24.5 Female 27.1	Male 15.1 Female 16.9
UK index-linked annuities (Pensions)	87.5%PNMA00mc U=2013 80.0%PNFA00mc U=2013	Male 24.6 Female 27.9	Male 15.3 Female 18.0	87.5%PNMA00mc U=2012 80.0%PNFA00mc U=2012	Male 24.4 Female 27.6	Male 15.1 Female 17.8

The allowance for future mortality improvements for PNMA/PNFA00 is based on the implied future mortality improvements in the PMA/PFA 92 MC tables subject to a minimum improvement of 1.5% p.a..

The allowance for future mortality improvements for IML/IFL00ult is based on the implied future mortality improvements in the IML/IFL 92 tables subject to a minimum improvement of 1.5% p.a..

ii) Deferred annuities

In deferment

Product group	Table at 31 December 2010 in deferment	Table at 31 December 2009 in deferment
UK non-profit deferred annuities (Pensions)	90.0%AMC00ult 97.5%AFC00ult	90.0%AMC00ult 97.5%AFC00ult
German with-profits deferred annuities (Life)	90.0%AMC00ult 97.5%AFC00ult	90.0%AMC00ult 97.5%AFC00ult

In payment

Product Group	Table at 31 December 2010	Complete expectation of life at age 65 for current age		Table at 31 December 2009	Complete expectation of life at age 65 for current age	
		45	**55**		**45**	**55**
UK non-profit deferred annuities (Pensions)	87.5%PNMA00mc U=2013 80.0%PNFA00mc U=2013	Male 27.6 Female 30.8	Male 26.1 Female 29.3	87.5%PNMA00mc U=2012 80.0%PNFA00mc U=2012	Male 27.3 Female 30.6	Male 25.8 Female 29.1
German with-profits deferred annuities (Life)	87.5%PNMA00mc U=2013 80.0%PNFA00mc U=2013	Male 27.6 Female 30.8	Male 26.1 Female 29.3	87.5%PNMA00mc U=2012 80.0%PNFA00mc U=2012	Male 27.3 Female 30.6	Male 25.8 Female 29.1

iii) Linked business

For Managed Pensions no mortality was assumed. Otherwise, AM80 ultimate mortality was assumed with a 2-year deduction from age for male lives and a 6-year deduction from age for female lives.

iv) Other products

Product group	Table at 31 December 2010	Table at 31 December 2009
All pension contracts	90.0%AMC00ult 97.5%AFC00 ult	90.0%AMC00ult 97.5%AFC00 ult
UK endowments and whole life	90.0%AMC00ult 97.5%AFC00 ult	90.0%AMC00ult 97.5%AFC00 ult
UK term assurance	72.5% TMC00 77.5% TFC00	72.5% TMC00 77.5% TFC00
UK with-profits policies (Life)	90.0%AMC00ult 97.5%AFC00 ult	90.0%AMC00ult 97.5%AFC00 ult
Overseas with- profits policies (Life)	90.0%AMC00ult 97.5%AFC00 ult	90.0%AMC00ult 97.5%AFC00 ult

(5) There are no significant morbidity risks.

(6) The attributable expense basis is summarised in the following tables.
The basis reflects the costs under insourcing of administration as described in section 4 (1). The 2009 figures reflect the charges under the agreement signed with HCL.
There are no Zillmer adjustments.
For net business it is assumed that the tax relief will be at 20%.

Accumulating with-profits business

For accumulating with-profits business, the following current levels of administrative expenses (excluding fund management) were assumed. It was further assumed that these expenses would increase at a rate of 3.4% per annum (2009 - 5.1% per annum).

Product code	Product name	Year ending 31 December 2010	Year ending 31 December 2009
120	CWP savings endowment	£250.78 per benefit	£11.69 per benefit
125	CWP target cash endowment	£250.78 per benefit	£11.69 per benefit
500	UWP Bond	£19.77 per benefit	£11.69 per benefit
510	UWP savings endowment	£19.77 per benefit	£11.69 per benefit
535	UWP group regular premium pension	£3.12 per benefit	£8 per benefit
555	Group deposit administration with-profits	£3.12 per benefit	£8 per benefit
545	Individual deposit administration with-profits	£16.10 per benefit	£6.68 per benefit

Separate allowance was made for fund management expenses using a loading of 1.40 per mille (2009 – 1.20 per mille) of the basic benefit including declared bonuses. These expenses were assumed to escalate in line with the valuation interest rates, i.e. a net rate of discount of 0%.

For life assurance and general annuity business the appropriate per policy expenses and fund management assumptions shown above were netted down for tax at a rate of 20%.

No other explicit reserve was made for expenses on policies where premiums have ceased, no future premiums are payable or the method of valuation does not take credit for future premiums as an asset.

Conventional business

Product code	Product name	Year ending 31 December 2010	Year ending 31 December 2009
120	CWP savings endowment	3% of office premium	3% of office premium
125	CWP target cash endowment	3% of office premium	3% of office premium
155/165	CWP pensions	4% of office premium	4% of office premium
325/330	Term assurance	4.5% of office premium	4.5% of office premium

In addition, an annual loading of £3 (2009 – £3) was reserved per individual policy.

Annuities

For annuities in payment, the following current levels of administrative expenses were assumed. It was further assumed that the per benefit expenses would increase at a rate of 3.4% per annum (2009 – 5.1%).

Product code	**Product name**	**Year ending 31 December 2010**		**Year ending 31 December 2009**	
		Per benefit	Fund management	Per benefit	Fund management
400	Annuity	£3.13	1.1 per mille	£4.46	0.6 per mille

Linked business

Future administration charges for unit-linked and "FTSE 100" linked policies are paid by Clerical Medical Managed Funds Limited as contractually agreed. In Forms 53 and 54 we have treated reserves set up in respect of these charges as reassured liabilities. Difference between these charges and future expenses are reserved for separately in the unattributable expense reserve.

For UK regular premium business no future premiums have been assumed in the calculation of the non-unit-reserve.

Product code	**Product name**	**Year ending 31 December 2010**	**Year ending 31 December 2009**
700	Bond	£7.51 per policy	£11.96 per policy
715	Savings endowment	£7.51 per policy	£11.96 per policy
725	Regular premium pension	£11.41 per policy	£14.52 per policy
735	Group regular premium pension	£13.88 per member	£17.68 per member

For Non-UK regular premium business no future premiums have been assumed in the calculation of the non-unit-reserve.

Product code	**Product name**	**Year ending 31 December 2010**	**Year ending 31 December 2009**
700	Bond	£64.42 per policy	£102.48 per policy
715	Savings endowment	£64.42 per policy	£102.48 per policy
725	Regular premium pension	£96.77 per policy	£123.17 per policy
735	Group regular premium pension	£119.02 per member	£151.48 per member

There is also a 15bps (2009 – 15bps) expense charge p.a. to allow for investment expenses and overheads.

(6) The unit growth rates (before management charges) and expense inflation rates are:

Year ending 31 December 2010		**Year ending 31 December 2009**	
Unit growth rate	Expense inflation	Unit growth rate	Expense inflation
4.0%	4.9%	4.6%	5.1%

(7) The method of valuation described above makes an allowance for any future guaranteed investment return described in section 4 (1) – Accumulating With-profits Policies. The assumption for future discretionary bonus for with-profits contracts is zero for all classes.

(8) The persistency assumptions are as follows:

There are no non-contractual withdrawals assumed.

For pension policies where there is a range of contractual retirement dates. Recent Society experience for lives and benefits has been used to derive the persistency assumptions for expenses and policy values respectively.

Experience has been split into two categories: policies that are yet to reach and those already past the Earliest Contractual Date (ECD) shown in the table below. The assumed retirement ages in relation to ECD are shown in the following tables (where NRA = Normal Retirement Age):

Assumption for expenses for policies yet to reach ECD:

Product Type	**Year ending 31 December 2010**	**Year ending 31 December 2009**	**Original ECD**
Group Pensions	2.25 years before ECD	3.00 years before ECD	NRA
Individual (executive) Pensions	At ECD	0.75 years before ECD	NRA
Personal Pensions (non-DSS)	8.00 years after ECD	6.75 years after ECD	55
Personal Pensions (DSS)	4.50 years after ECD	3.75 years after ECD	60
Retirement Annuities	5.00 years after ECD	3.75 years after ECD	60

Assumption for expenses for policies already past ECD:

Product Type	**Year ending 31 December 2010**	**Year ending 31 December 2009**	**Original ECD**
Group Pensions	11.00 years after ECD	9.75 years after ECD	NRA
Individual (executive) Pensions	3.50 years after ECD	2.25 years after ECD	NRA
Personal Pensions (non-DSS)	11.25 years after ECD	9.00 years after ECD	55
Personal Pensions (DSS)	7.00 years after ECD	6.00 years after ECD	60
Retirement Annuities	9.00 years after ECD	7.50 years after ECD	60

Assumption for benefits for policies yet to reach ECD:

Product Type	**Year ending 31 December 2010**	**Year ending 31 December 2009**	**Original ECD**
Group Pensions	2.25 years before ECD	3.25 years before ECD	NRA
Individual (executive) Pensions	At ECD	1.00 years before ECD	NRA
Personal Pensions (non-DSS)	7.50 years after ECD	5.25 years after ECD	55
Personal Pensions (DSS)	4.25 years after ECD	3.50 years after ECD	60
Retirement Annuities	4.25 years after ECD	2.75 years after ECD	60

Assumption for benefits for policies already past ECD:

Product Type	**Year ending 31 December 2010**	**Year ending 31 December 2009**	**Original ECD**
Group Pensions	9.25 years after ECD	7.75 years after ECD	NRA
Individual (executive) Pensions	3.50 years after ECD	2.00 years after ECD	NRA
Personal Pensions (non-DSS)	11.25 years after ECD	9.00 years after ECD	55
Personal Pensions (DSS)	6.75 years after ECD	5.75 years after ECD	60
Retirement Annuities	8.50 years after ECD	6.75 years after ECD	60

Group final salary benefits are assumed to terminate in 1.5 years.

Income drawdown policies are assumed to terminate immediately.

For group money purchase schemes, where individual member data is not required, the term to retirement is assumed to be the same as all other group money purchase schemes.

For life policies where there is a range of potential contractual termination dates, the following assumptions are used:

Personal Investment Plans: next contractual withdrawal date.
Bonds: next contractual withdrawal date.

School Fee Trust Plans are assumed to terminate immediately.

(9) There are no other material assumptions stated elsewhere.

(10) The Society does hold derivative contracts but none were used to justify the valuation rate of interest.

(11) There have been no changes in methodology as a result of changes to INSPRU.

Options and guarantees

5. (1) Guaranteed annuity rate options

(a) The method used is a deterministic one. The basic reserve represents the value of the cash benefit. The extra reserve for the guarantee is calculated as

(Guaranteed Annuity Rate / Valuation Annuity rate -1) x basic reserve
(subject to a minimum of zero)

with an additional contingency margin of 70%.

(b)

Product name	**Deferred annuity**	**Accumulating class**	**Endowments**	**German Deferred Annuity**
Basic reserve	£1.7m	£5.5m	£2.3m	£6.4m
Spread of outstanding durations	0 to 20 years	0 to 10 years	0 to 23 years	0 to 40 years
Guarantee reserve	£1.6m	£5.1m	£2.1m	£1.9m
Guaranteed annuity rate (male aged 65)	9.92%	9.92%	9.92%	6.94%
Increments permissible?	No	Yes	No	Yes
Form of annuity	Half yearly, in arrear, level, single life, no guarantee period	Half yearly, in arrear, level, single life, no guarantee period	Half yearly, in arrear, level, single life, no guarantee period	Monthly, in advance, level, single life, no guarantee period
Retirement ages	60 to 70	60 to 70	60 to 70	50 to 75

(2) Options which guarantee surrender values at specified dates are automatically valued as a result of the persistency assumption set out in paragraph 4(8).

(3) Guaranteed Insurability options

(a) Under some UK bonds the death benefit is 105% or 110% of the fund value. Due to the low level of new premiums, the low level of sum assured at risk and the prudent persistency assumption no extra reserve is held.

All Flexible Protection Plans issued on normal terms carry the option to effect further policies without evidence of health. Broadly, the option allows the life cover to be increased at intervals, by effecting further policies, in line with increases in the Retail Prices Index. Due to the low level of increases permitted and the reviewable and prudent nature of the mortality charges, no extra reserve is held.

Prior to 15 August 1986 an option to effect further policies without evidence of health could be included on the Society's standard whole life and endowment assurances in the life fund. Due to the non-guaranteed and prudent premium basis for new policies, no extra reserve is held.

Mortgage protection policies and endowment assurances with guaranteed minimum death benefit, where used as collateral security in respect of a house purchase loan carry the option to effect further policies or increase the death benefit on existing policies when an additional loan is effected or the terms of a loan are changed. Due to the size of this policy class, the conditional nature of the option and the prudent, non-guaranteed new policy premium bases, no extra reserve is held.

(b) Individually and in aggregate the sums assured of the policy classes listed above do not exceed £1bn.

(4) Guaranteed minimum pensions and guaranteed interest rates are valued as described in paragraph 4(1).

Expense reserves

6. (1) The aggregate amount of expense loadings expected to arise during the 12 months following the valuation date from explicit reserves made is £74.4m.

Homogeneous risk group	Implicit allowances (£m)	Explicit allowances (investment) (£m)	Explicit allowances (maintenance) (£m)	Non-attributable expenses (maintenance) (£m)	Non-attributable expenses (exceptional) (£m)	Total (£m)
UK Life	n/a	0.1	1.6	0.8	1.7	4.2
UK Pensions	n/a	5.9	4.9	19.9	37.2	67.9
Overseas	n/a	0.1	0.4	0.7	1.5	2.7
Total	n/a	6.1	6.9	21.4	40.4	74.8

The non-attributable expense is made up of £21.4m maintenance expenses and £40.4m exceptional expenses. Total maintenance expenses in 2011 are £34.4m.

(2) There are no implicit allowances. All expense assumptions and reserves are calculated explicitly.

(3) The difference of the amount of maintenance expenses from the maintenance expenses in 2010 shown in line 14 on Form 43 is due to increases in the current expected future expenses.

(4) The Society is closed to new business.

(5) The reserving basis already incorporates factors reflecting the closed nature of the fund.

(6) An exceptional expense reserve of £103.8m covers short term exceptional costs and is attributed to homogeneous risks groups in proportion to overall reserves. These costs are principally strategic business projects and pension funding commitments. A non-attributable regular expense reserve of £483.2m covers the regular expenses that exceed the explicit per policy expense allowance plus a margin for prudence and is split between homogeneous risks groups in proportion to overall reserves. This provision is calculated as the net present value of the projected budget which reduces at a rate related to the projected run off of the business.

Mismatching reserves

7. (1) There is just one with-profits fund which contains all the non-profit, index-linked and non-sterling liabilities. The total mathematical reserves (other than liabilities for property-linked benefits), analysed by reference to the currencies in which the liabilities are expressed to be payable, together with the total value of the assets, analysed by reference to currency, which match the total liabilities are tabulated below:

Currency	**Mathematical Reserves (£000,000)**	**Assets (£000,000)**
Sterling	5,554	5,965
Euro	166	190
US Dollar	2	100

The Society holds a dollar hedge with exposure of £87m at the valuation date to mitigate the dollar mismatch.

(2) Not applicable.

(3) No mismatching reserve is required.

(4) Not applicable.

(5) Not applicable.

(6) Not applicable.

(7) No additional reserves are required arising from the tests on assets in INSPRU 1.1.34R.

The cash flows emerging from benefits and expenses from non-profit, index-linked and with-profits in force business have been considered. Index linked assets can be allocated to expenses such that the cash flows emerging from those assets match those from the expected expenses. Fixed interest assets can be allocated to non-profit business such that the cash flows emerging from those assets match closely those from the non-profit in force benefits. Index linked assets and cash can be allocated to index linked business such that the cash flows emerging from those assets match broadly those from the index-linked in force benefits. The remaining assets are allocated to with-profits business. Taking into account the nature and the term of this business, it is envisaged that there will be no future liquidity problems in a wide rage of investment scenarios. A significant proportion of the fund is held in British Government securities to allow for uncertainties of cash flows given the flexibility of the policies.

Other special reserves

8. (1) UK Accumulating With-Profits Pensions - Additional Reserves UWP

This reserve of £650.1m represents unattributable expenses, exceptional expenses, investment expense on unallocated funds and the potential cost of maintaining the current with-profits non-contractual termination terms. Descriptions of each of the principal elements of this reserve are detailed below.

Where appropriate, the assumptions used to determine this reserve are consistent with those assumptions defined in earlier section of this appendix. Those assumptions are combined with past experience to determine anticipated payments for the various components of the reserve. The likelihood of a payment being made has been based on past experience and expert advice (where appropriate).

- Unattributable Regular Expenses

  A provision is held for the regular administration costs of the Society in excess of the per policy loadings. This provision is calculated as the net present value of the projected budget which reduces at a rate related to the projected run off of the business.

- Exceptional Expenses

  A provision is held for anticipated additional expenses over future years, including contractual commitments to HBOS in respect of pension scheme future service costs, anticipated additional costs associated with servicing policies in the medium term and non-recurring project costs.

- Investment Expenses

  An allowance for anticipated fund management expenses that are not covered in individual policy reserves elsewhere is included in this reserve.

- Non Contractual Withdrawals

  The reserve also includes an allowance for potential surrenders where the "surrender value" exceeds the "normal reserve" (as described in 4 (1) above).

(2) UK Non-Linked Pension (Other than Accumulating With-Profits) - Additional Reserves With-Profits OB

This reserve of £33.3m is the allowance made for unattributable expenses and exceptional expenses.

(3) UK Accumulating With-Profits Life - Additional Reserves UWP

This reserve of £16.9m represents unattributable expenses and the potential cost of maintaining the current with-profits non-contractual termination terms as detailed in section 4 (1) above.

(4) UK Non-Linked Life (Other than Accumulating With-Profits) – Additional Reserves With-Profits OB

This reserve of £4.7m is the allowance made for the potential cost of maintaining the current with-profits non-contractual termination terms as detailed in section 4 (1) above and unattributable expenses.

(5) Non UK Non-Linked Accumulating With-Profits – Additional Reserves UWP

This reserve of £7.6m is the allowance made for mis-selling claims against the Society and unattributable expenses.

(6) Non UK Non-Linked (Other than Accumulating With-Profits) - Additional Reserves With-Profits OB

This reserve of £9.7m is the allowance made for unattributable expenses.

Reinsurance details

9. (1) All reinsurance ceded on a facultative basis is with reinsurers who are authorised to carry on insurance business in the United Kingdom.

(2) (i) (d) The reinsurer is Halifax Life Limited.

(e) The reinsurer automatically provides cover in respect of 100% of the liabilities under all linked and non-profit policies, with the exception of immediate annuities in payment other than those arising from deferred annuity policies after 1 March 2001.

(f) The premium payable since the last investigation was £62,697,473

(g) There is no deposit-back arrangement.

(h) The treaty is open to new business.

(i) There is no undischarged obligation of the insurer.

(j) £2,395m of mathematical reserves were ceded under the treaty.

(k) There is nil retention by the insurer for new policies being ceded.

(l) The reinsurer is authorised to carry out insurance business in the United Kingdom.

(m) The Society and the reinsurer are not connected.

(n) The treaty is not subject to any material contingencies.

(o) Not applicable.

(p) There were no financing arrangements in force at 31 December 2010.

(ii) (d) The reinsurer is Clerical Medical Investment Group Limited (CMIG).

(e) The reinsurer automatically provides 100% of the liabilities in respect of units purchased in CMIG With-Profits fund which are available as an investment option for members of certain group pension schemes.

(f) The premium payable since the last investigation was £800,774.

(g) There is no deposit back arrangement.

(h) The treaty is open to new business.

(i) There is no undischarged obligation of the insurer.

(j) £22m of mathematical reserves were ceded under the treaty.

(k) There is nil retention by the insurer for new policies being ceded.

(l) The reinsurer is authorised to carry out business in the United Kingdom.

(m) The Society and the reinsurer are not connected.

(n) The treaty is not subject to any material contingencies.

(o) Not applicable.

(p) There were no financing arrangements in force at 31 December 2010.

(iii) (d) The reinsurer is Clerical Medical Managed Funds Limited (CMMF).

(e) The reinsurer automatically provides 100% of the liabilities in respect of units purchased in CMMF funds which are available as an investment option for members of certain group pension schemes.

(f) The premium payable since the last investigation was £283,884.

(g) There is no deposit back arrangement.

(h) The treaty is open to new business.

(i) There is no undischarged obligation of the insurer.

(j) £24m of mathematical reserves were ceded under the treaty.

(k) There is nil retention by the insurer for new policies being ceded.

(l) The reinsurer is authorised to carry out business in the United Kingdom.

(m) The Society and the reinsurer are not connected.

(n) The treaty is not subject to any material contingencies.

(o) Not applicable.

(p) There were no financing arrangements in force at 31 December 2010.

Reversionary bonus

10. Reversionary bonus has not been declared on classes of business where the mathematical reserves exceed the lesser of £10m and 1% of the total.

THE EQUITABLE LIFE ASSURANCE SOCIETY

REALISTIC VALUATION REPORT

Introduction

1. (1) The date of the valuation was 31 December 2010

   (2) The previous valuation was at 31 December 2009.

   (3) The date of the interim valuation was 30 June 2010.

   The Society has only one with-profits fund. Each of the following sections refers to that fund.

Assets

2. (1) The economic assumptions used to determine the value of future profits arising from the non-profit insurance contracts were:

Level and fixed escalation annuities

	Current Valuation	**Previous Valuation**
Earned rate of interest on Non-profit assets (gross)	4.12%	4.35%
Discount rate applied to future cash flows	6.62%	6.85%
Per policy expense rate pa	£3.13 p.a.	£4.46 p.a.
Expense inflation rate pa	3.40%	5.10%

The expense inflation rate shown is based on RPI inflation of 3.40% p.a. (previous valuation 3.60% p.a.) At the previous valuation there was an allowance for additional expense inflation of 1.50% p.a. due to a contract with a third party administrator (TPA). There is no additional allowance for additional expense inflation at the current valuation as the TPA contract no longer applies.

Index-linked annuities

	Current Valuation	**Previous Valuation**
Earned real rate of interest on index-linked assets (gross)	0.22%	0.72%
Real discount rate applied to future cash flows	2.72%	3.22%
Per policy expense rate pa	£3.13 p.a.	£4.46 p.a.
Real expense inflation rate pa	0.00%	1.50%

Mortality bases

	Current Valuation	**Previous Valuation**
Pensions annuities:		
- male lives	92.50% PNMA00mc (U=2013) *	92.50% PNMA00mc (U=2012) *
- female lives	85.00% PNFA00mc (U=2013) *	85.00% PNFA00mc (U=2012) *
BLAGAB annuities:		
- male lives	72.5% IML00 Ult (U=2010 **	72.5% IML00 Ult (U=2009 **
- female lives	77.5% IFL00 Ult (U=2010) **	77.5% IFL00 Ult (U=2009) **

* the allowance for mortality improvements for PNMA00mc/PNFA00mc is based on implied mortality improvements per PFA92mc/PFA92 mc

** the allowance for mortality improvements for IML00/IFL00 Ult is based on implied mortality improvements per IMA92/IFA92

The implied mortality improvements are subject to a minimum improvement of 1.5%pa (unchanged from the previous valuation).

The Society's remaining non-profit business is wholly reassured.

(2) Not applicable

(3) Not applicable

(4) Not applicable

(5) Not applicable

With-Profits Benefits Reserve Liabilities

3. (1) The following table shows the valuation method used to calculate the realistic value of the liabilities for the various product types together with the amounts of the with-profits benefit reserve and the future policy related liabilities.

Product type	**Valuation Method**	**With-Profits Benefit Reserve £m**	**Future Policy Related Liabilities £m**
Conventional with-profits	P	83	(4)
Life RSP contract	R	94	(2)
Flexible Protection Plans	R	18	(4)
Pensions RSP (3.5% GIR)	R	2,957	495
Pensions RSP (0% GIR)	R	676	(43)
Total for these products		3,828	442
Aggregate de minimis contracts		17	(0)
Grand total		3,845	442

R=Retrospective Method, P=Prospective Method

The Future Policy Related liabilities shown are based on the future cost of contractual guarantees (line 41 of Form 19), less the future value of charges of 1.0% p.a. (as described in section 4.(4)) to be taken from investment returns (line 35 of Form 19) and the future value of profits on surrender (line 36 of Form 19).

Actual expenses are charged to policy values and their equivalents each year. The realistic balance sheet allows for a realistic estimate of future expenses including an allowance for diseconomies of scale.

(2) Not applicable.

(3) With-profits insurance contracts with total with-profits benefit reserves of £17m and future policy related liabilities of £0m were not modelled explicitly. To allow for these contracts the explicitly modelled liabilities were scaled up using the ratio of total regulatory reserves including these contracts to the total regulatory reserves excluding these contracts.

(4) Not applicable.

With-profits benefit reserves – Retrospective method

4. (1) (a) The methodology is unchanged from the previous year end. For all the Recurrent Single Premium that was valued on a retrospective basis 100% of the with-profits benefit reserve was calculated on an individual basis.

For Recurrent Single Premium business Policy Values have been established as a proxy for asset shares (and hence the with-profits benefit reserve).

(b) None.

(c) Not applicable.

(2) (a) None.

(b) Not applicable.

(3) (a) The date of the previous expense investigation was 31/12/09.

(b) Expense investigations are carried out every 12 months, and updated at six monthly intervals. The numbers in this section relate to the year to 31 December 2010.

(c) (i) There were no initial expenses identified relating to the issue of new policies where the policyholder has a contractual right to take out a new policy. There were no other initial expenses.

(ii) A charge of 1%pa of the with-profits benefit reserve (amounting to approximately £40m) was made in respect of maintenance expenses that relate to the servicing, claims handling and management of the business.

(iii) expenses are charged to the with-profits benefits reserve by way of an expense charge of 1% pa deducted from all contracts. The expense charge is expected to remain at 1% pa. This is a change from the assumption at the previous valuation that the expense charge would reduce from 1% pa to 0.5% pa from 1 January 2011.

(iv) £61m of expenses were categorised as exceptional expenses. These expenses are charged against specific provisions held on the balance sheet.

(4) A charge of 1.0% p.a. of policy values (the "charge for capital and cost of guarantees") is taken to make some allowance for the cost of guarantees incurred and to act as a buffer against risk and adverse experience.

(5) Not applicable

(6) The claims paid during the year comprised maturity values (being the higher of Policy Values and the guaranteed benefit) and surrender values (being Policy Values reduced by the financial adjustment which for UK policies was 5% throughout 2010). The ratio of maturity claims to the corresponding Policy Values over the year prior to the valuation date was 100% (although more would have been paid out for cases where the guarantee bit). The corresponding ratio for surrenders/transfers was about 95%. The corresponding figures for maturities and surrenders/transfers for 2009 were 100% and 95% respectively, and for 2008 were 100% and 95% respectively.

(7) The investment return earned over the period from 31 December 2009 to 31 December 2010 was 8.4% (2009: 6.0%) before tax and expenses. There has been no increase in the with-profits benefit reserve for the period from 31 December 2009 to 31 December 2010. (2009: 5.5%) for with-profits recurrent single premium pension policies.

With-profits benefits reserve – Prospective method

5. (1) For conventional with-profits business (whole of life and endowments) the key assumptions used in the prospective method of calculating the with-profits benefits reserve were:

(a) The discount rate applied to future benefits and premiums was 2.00% per annum. This is based on the risk free rate of around 2.75%, netted down for tax and rounded down.

(b) Not applicable.

(c) No assumption for future inflation of expenses is required in this methodology.

(d) Future reversionary bonuses are assumed to be zero. The following table of final bonus factors was used to calculate the policy values at the valuation date.

Elapsed Term - Yrs	Final Bonus Rate %
0	0
1	0
2	0
3	1
4	2
5	3
6	3
7	3
8	4
9	4
10	4
11	4
12	4
13	4
14	4
15	5
16	5
17	5
18	5
19	5
20	5
21	5
22	5
23	5
24	5
25	6
26	7
27	10
28	16
29	24
30	32
31	39

32	45
33	50
34	56
35	67
36	73
37	80
38	85
39	88
40	90
> 41	90

(e) Expenses are implicitly allowed for in the premiums valued.

(f) No allowance for surrenders was made.

(2) The methods in (1) involve only one set of key assumptions.

Costs of guarantees, options and smoothing

6. (1) Not applicable

(2) The methodology and assumptions are unchanged from the previous year end.

All the with-profits insurance contracts mentioned in 3 (1) were valued using a market consistent stochastic model. All the contracts were grouped according to the following grouping rules:

Recurrent Single Premium – these contracts were grouped by outstanding term, ratio of final bonus to policy value (in 2% bands) and by the level of guaranteed interest rate (3.5% or 0% per annum).

For with-profits UK transfer plans and miscellaneous deferred annuities, a number of contracts have a Guaranteed Minimum Pension (GMP) underpin. These contracts also have the guarantees common to all Recurrent Single Premium business described above. For these policies the average cost of buying out the revalued GMP annuity benefit at State Pension Age (SPA) was calculated based on 500 simulations using the mortality basis for non-profit annuities set out section 2.(1) above and risk-free yields for 10 year Zero Coupon Bonds at SPA. Allowance was also made for expenses in payment including diseconomies of scale between the valuation date and SPA.

Conventional Endowments – these contracts were grouped by original term and then by outstanding term.

Numbers of benefits before and after applying grouping rules:

Product type	Benefits	Model Points
Conventional with-profits	6,271	668
Life RSP contracts	12,136	173
Flexible Protection Plans	3,781	147
Pensions RSP (3.5% GIR)	589,627	5,856
Pensions RSP (0% GIR)	190,299	4,495
Total	802,114	11,339

The grouping bases have been reviewed for this valuation, but no changes have been made since the 2005 year-end valuation.

In reviewing the grouping basis for each contract type, tests were done using 2009 year-end data with higher numbers of groups modelled. The value of the guarantee costs did not materially change. Therefore, no changes were made to the grouping bases.

(3) Not applicable.

(4) (a) (i) The methodology is unchanged from the previous year end.

For Recurrent Single Premium business there is a guarantee that the death benefit and the maturity benefit will not be less than the amount of the guaranteed fund plus any declared reversionary bonuses. The maturity guarantee applies where the policyholder retires on or after the Earliest Contractual Date (ECD) written into their policy. Most policies effected before 1 July 1996 have a guaranteed rate of interest of 3.5% that will be credited to the guaranteed amounts each year.

For the purpose of determining when policyholders will exit on contractual terms, policies have been split into 2 categories -those that have not yet reached the ECD and those that have passed that date.

The assumed retirement ages in relation to the ECD are shown in the following table. The assumptions used have changed from the assumptions used in the previous valuation.

	Policyholders Before ECD (years)	Policyholders on or after ECD (years)	Original ECD
Group Pensions	-2	9	NRA
Individual ("executive") Pensions	0	4	NRA
Personal Pensions (non-DSS)	8	12	55*
Personal Pensions (DSS)	4	7	60
Retirement Annuities	5	9	60

where NRA = Normal Retirement Age

* the ECD for Personal Pensions (non-DSS) business has changed to 55 from 50 following a change in legislation.

Policyholders already past the assumed retirement age were assumed to retire immediately. This assumption is unchanged from the previous valuation.

Managed Pension policies were assumed to mature evenly over the 3 year period beginning at the valuation date. This assumption is unchanged from the previous valuation.

For endowment assurances there is a guarantee that the amount payable on death and the maturity value will not be less than the sum assured and any declared reversionary bonuses.

For some with-profits UK transfer plans and miscellaneous deferred annuities there is a Guaranteed Minimum Pension (GMP) at State Pension Age (see section 6.(2) above).

A very small set of policies has guaranteed annuity options for which a provision of £6m is held. The provision was calculated deterministically, and increased by over 50% to allow for stochastic variation.

For contracts other than conventional with-profits, the extent to which policy values exceeded guaranteed values at the valuation date, banded into percentages of policy values, is shown in the following table:

% In / Out of money*	Policy values (£m)	Percentage
-100% to -50%	0	0%
-49% to -30%	306	8%
-29% to -20%	464	12%
-19% to -15%	537	14%
-14% to -10%	454	12%
-9% to -5%	667	18%
-4% to 0%	297	8%
1% to 5%	233	6%
6% to 10%	212	6%
11% to 15%	254	7%
16% to 20%	93	3%
21% to 30%	166	4%
31% to 50%	68	2%
51% to 100%	2	0%
Total	3,753	100%

* Negative values indicate contracts currently “in the money” (i.e. where the current guaranteed fund exceeds the current policy value – this may change by maturity). The figures shown are percentages of policy value.

(a) (ii) The asset model used in the valuation is the Barrie & Hibbert Economic Scenario Generator.

Nominal short-term interest rates are assumed to follow a LIBOR Market Model with semi-annual timesteps. The risk-free curve has been fitted to the gilt curve, and the volatility of interest rates has been calibrated to the implied volatility of swaption prices.

In the Realistic Balance Sheet, liabilities are discounted at 0.02% above calibrated risk-free rates. This adjustment reflects the yields available on the risk-free assets held to back with-profits liabilities relative to yields implied by the calibrated yield curve. It also reflects the proportion of such assets. The adjustment made at the previous valuation was 0.03%.

The model for the real short-term rate is similar in structure.

Price inflation is modelled as the difference between the nominal and real short-term rate process.

Credit risk on corporate bonds is modelled using Barrie and Hibbert’s credit model, which is an extension of the Jarrow-Landow-Turnbull model.

For equities and for properties, the ratios of total return in excess of the nominal short-term interest rate is assumed to be lognormally distributed with equity volatility varying by term, and a constant volatility assumption for property.

The volatility assumptions for the major classes of asset are chosen to be consistent with option market prices where available.

Barrie & Hibbert supply recommended parameters for use at each valuation, which are analysed before acceptance and use.

For the Realistic Balance Sheet, a risk-neutral set of parameters has been calibrated to be market-consistent. Barrie & Hibbert conduct a survey of OTC (over the counter) derivative price quotes from investment banks every quarter. These prices are used to update the market consistent calibrations every quarter.

At 31 December 2010, equity volatility is assumed to be as shown below, calibrated to implied volatilities on at-the-money FTSE 100 options varying by term as follows:

Term	**Implied Volatility**
1 year	20.6%
2 years	22.0%
3 years	23.0%
5 years	24.3%
7 years	25.1%
10 years	26.1%

Over longer terms the excess volatility tends to 27.5%. This is Barrie & Hibbert's best estimate of long term excess volatility from their research.

Property volatility is assumed to be 15%. As it is not currently possible to observe meaningful option prices (and hence derive volatilities), this is based on Barrie & Hibbert’s best estimate from their research.

Property Unit Trusts (PUTs) are modelled as property. These vehicles have issued a significant amount of debt in order to finance the property development. The market value of the PUTs modelled reflects the total exposure to property prices, with the amount of the debt being offset against cash in the with-profits fund.

Swaption volatilities implied by the calibration vary by term and duration with those obtained from market data. The fitting method is least squares over the swaption volatility surface with additional weight applied to options on 20 year swaps. The swaption volatilities from the Barrie & Hibbert ESG are shown in the following table. The volatilities shown are for at-the-money swaptions.

Option Term (years)	Swap Term (years)				
	1	5	10	20	30
5	23.1%	17.5%	15.8%	15.2%	14.6%
10	14.4%	13.3%	13.5%	13.2%	12.6%
15	14.4%	13.6%	13.6%	13.2%	12.2%
20	14.3%	13.9%	13.9%	13.0%	11.7%
25	15.2%	14.7%	14.5%	13.0%	11.5%

Correlations

Barrie & Hibbert also specified a correlation matrix. The risk-neutral correlations between equities and bonds and equities and short-term interest rates were derived from an analysis of historical data.

Key correlations are:

Equities / Government Bonds	+0.16
Equities / Short Term Interest Rates	-0.15
Equities / Property	+0.35
Property / Government Bonds	+0.10
Property / Short Term Interest Rates	-0.10

These correlations are based on excess returns over cash rather than total returns

THE EQUITABLE LIFE ASSURANCE SOCIETY

REALISTIC VALUATION REPORT

(a) (iii)

		Asset type (all UK assets)	**K=0.75**				**K=1**				**K=1.5**			
	n		5	15	25	35	5	15	25	35	5	15	25	35
	r	Annualised compound equivalent of the risk free rate assumed for the period.(to two decimal places)	2.40%	4.27%	4.49%	4.35%	x	x	x	x	x	x	x	x
1		Risk-free zero coupon bond	887,963	534,304	333,474	225,095	x	x	x	x	x	x	x	x
2		FTSE All Share Index (p=1)	88,199	231,796	330,597	407,779	215,451	395,009	511,666	604,010	588,008	777,661	910,666	1,024,775
3		FTSE All Share Index (p=0.8)	81,456	181,726	234,314	268,173	201,362	316,354	369,517	404,648	558,743	638,293	673,862	701,026
4		Property (p=1)	31,407	107,071	176,137	235,522	133,025	241,126	328,984	402,884	522,073	616,287	709,235	794,460
5		Property (p=0.8)	27,277	72,104	105,055	129,318	120,113	173,284	207,179	233,008	490,279	474,081	478,503	490,672
6		15 year risk free zero coupon bonds (p=1)	12,678	11,703	9,030	20,336	74,436	63,588	77,076	122,480	485,327	459,959	467,971	506,131
7		15 year risk free zero coupon bonds (p=0.8)	10,934	5,846	1,997	1,747	64,667	30,621	15,627	19,486	450,501	291,527	214,439	198,353
8		15 year corporate bonds (p=1)	6,475	17,604	40,081	77,524	61,922	91,807	150,408	212,626	498,933	509,356	554,052	614,373
9		15 year corporate bonds (p=0.8)	5,335	8,141	13,372	22,766	52,047	46,269	56,878	75,897	464,035	341,623	300,632	297,296
10		Portfolio of 65% FTSE All Share and 35% Property (p=1)	49,407	155,686	238,443	307,423	161,453	302,720	403,275	487,178	543,422	676,640	787,899	888,615
11		Portfolio of 65% FTSE All Share and 35% Property (p=0.8)	44,273	114,328	156,034	186,031	148,143	229,805	272,984	304,622	512,701	537,947	557,026	578,456
12		Portfolio of 65% equity and 35% 15 risk free zero coupon bonds (p=1)	38,627	119,826	188,799	248,979	143,526	254,901	340,987	416,490	524,613	620,552	712,123	803,136
13		Portfolio of 65% equity and 35% 15 risk free zero coupon bonds (p=0.8)	34,113	83,790	116,208	142,280	130,738	186,623	220,154	246,443	493,582	482,875	487,502	503,450
14		Portfolio of 40% equity, 15% property, 22.5% 15 year risk free zero coupon bonds and 22.5% 15 year corporate bonds (p=1)	18,920	70,028	123,437	174,592	106,675	187,675	259,836	327,054	503,832	554,956	625,601	704,397
15		Portfolio of 40% equity, 15% property, 22.5% 15 year risk free zero coupon bonds and 22.5% 15 year corporate bonds (p=0.8)	15,988	42,970	65,220	84,615	94,642	125,985	150,127	172,382	471,165	413,268	401,678	409,933
			L=15				**L=20**				**L=25**			
16		Receiver swaption	5.90%	6.50%	5.80%	4.55%	7.25%	8.20%	7.11%	5.45%	8.62%	9.68%	8.15%	6.10%

(a) (iv) The initial net yields on equities and property were taken as 3.1% and 4.3% respectively.

(a) (v) Not applicable

(a) (vi) For contracts other than conventional with-profits, the distribution of contracts that currently have guaranteed values greater or less than policy values is shown in the following table:

Guaranteed values greater than policy values		
Outstanding Term	**Policy Value (£m)**	**Percentage**
20 to 40 Years	221	8%
10 to 20 Years	1,049	39%
5 to 10 Years	930	34%
0 to 5 Years	525	19%
Whole Life*	0	0%
Total	2,725	100%

Guaranteed values less than policy values		
Outstanding Term	**Policy Value (£m)**	**Percentage**
20 to 40 Years	111	11%
10 to 20 Years	264	26%
5 to 10 Years	313	30%
0 to 5 Years	340	33%
Whole Life*	0	0%
Total	1,028	100%

* A number of Recurrent Single Premium life policies (Critical Illness and Major Medical Plans) are written as whole of life policies.

The asset model has been calibrated to UK Government Bonds using Gilt Strips for a range of terms.

The model is calibrated to implied volatilities. The asset model produces:

- An equity implied volatility of 25.8% over ten years for the total return index. For comparison, the implied volatility of a ten-year at-the-money equity capital return index put option used for calibrating the model was 26.1%.

- Property volatility over ten years of 15.2% p.a. For comparison, the implied volatility assumption used for calibrating the model was 15%.

- Zero coupon bond volatilities varying by outstanding term to redemption as follows:

Term (years)	**Average expected volatility over next 20 years (%)**
1	3.0
5	4.8
10	6.2
15	11.8
20	14.7
25	17.1

- Average correlations between asset classes as follows:
  - Total equity return and 10 year bond return: 17.3%
  - Total equity return and short term interest rates -14.7%
  - Total equity return and property return: 34.8%
  - Property return and 10 year bond return: 11.2%
  - Property return and short term interest rates -9.6%

These correlations are based on excess returns over cash rather than total returns.

Correlations with bonds of shorter and longer terms were similar to those shown above.

(a) (vii) The risk-free rate implied by the economic scenarios is compared against the calibrated risk free rate.

Checks were also made to ensure that the present value of future income, gains and losses on bonds, property and equities equal the starting market values of the assets.

(a) (viii) The results are based on 5000 simulations. Results based on batches of 500 simulations show that increasing the number of simulations increases the accuracy of the results based on the assumptions used.

(b) Not applicable.

(c) Not applicable.

(5) (a) In the projection of assets and liabilities it has been assumed that policy values (and hence the with-profits benefit reserve) would be changed in line with the change to the market value of assets. Any residual excess of assets over liabilities would be distributed over the lifetime of the existing business. In Form 19, any residual excess of assets over liabilities would be included under planned enhancements to with-profits benefits reserve (line 34) such that the working capital is zero.

In the projection of assets and in line with planned investment strategy it is also assumed that the fund is rebalanced at the end of each year to a year dependant target asset mix. The target asset mix for the end of 2010 comprises of 8% equities, 8% property, 69% fixed interest assets (37% gilts and 32% corporate bonds) and the remainder in cash asset types. The projection of assets in future years comprises of a phased reduction to 0% property by the end of 2012 and a phased reduction to 0% equity by the end of 2016. The target asset mix for the end of 2016 comprises of 73% fixed interest assets (41% gilts and 32% corporate bonds) with the remainder in cash asset types. In previous valuations it has been assumed that the asset mix would remain constant from year to year. At the previous valuation the target asset mix was 11% equities, 9% property, 75% fixed interest assets (35% gilts and 40% corporate bonds) and the remainder in cash type assets.

(b) Future proportion of assets backing the with-profits benefit reserve which consists of equities:

	31/12/2010	**31/12/2015**	**31/12/2020**
(i) Base scenario	3.8%	1%	0%
(ii) Yields increase by 17.5%	4.1%	0%	0%
(iii) Yields reduce by 17.5%	3.8%	0%	0%

A further 1.8% of assets (allowing for gearing) were invested in Property Unit Trusts and a further 8.3% of assets were directly invested in property.

As described in section 10(b)(i), the assumed asset mix to which the fund is rebalanced each year is changed in stress scenarios. The initial investment mix described in section 6(5)(a) is replaced by the initial asset mix immediately following application of the stress in the stress scenario being considered. The phased reduction of equity and property assets would still apply. The resulting percentages, as shown in the table above, are maintained over time through rebalancing the portfolio as required.

Future declared reversionary bonus rates are assumed to be zero throughout the projection period (unchanged from previous year end).

(6) Policyholders are assumed to take benefits on non-contractual terms at the following rates. Some of the assumptions have changed from those used at the previous valuation:

Product		Surrender rate			
		Initial Rate		Ultimate Rate	
		Current Valuation	Previous Valuation	Current Valuation	Previous Valuation
Group AVC	surrender	4.0%	4.5%	1.5%	1.5%
Group Money Purchase	surrender	4.0%	4.5%	1.5%	1.5%
Individual ("executive") Pensions	surrender	2.5%	4.0%	1.5%	1.5%
Personal Pensions (non-DSS)	surrender	3.0%	5.5%	1.5%	1.5%
Personal Pensions (DSS)	surrender	3.0%	5.5%	1.5%	1.5%
Retirement Annuities	surrender	3.0%	5.5%	1.5%	1.5%
Life Business	surrender	5.0%	5.0%	1.5%	1.5%
Single premium bonds	automatic withdrawals	5.0%	5.0%	5.0%	5.0%

The surrender assumptions do not vary by policy year. They vary by duration from the valuation date. The assumed rate in the year following the valuation is the "Initial Rate" in the table above. Thereafter, the surrender rate is assumed to reduce by 0.5% each year until it reaches the "Ultimate Rate" in the table above.

The paid-up assumptions were that no further contributions would be made to policies, except where contractually required to maintain the policy.

For Recurrent Single Premium life policies it was assumed that, with the exception of the surrenders described above, all policyholders would take their benefits at their 10th anniversary dates (or, where policies have been extended, the next date at which any benefit could be taken on contractual terms).

For Conventional with-profits policies it was assumed that, with the exception of the surrenders described above, all policyholders would take benefits on the date their policies mature.

(7) It was assumed that policyholders would make no further contributions to policies, except where contractually required to maintain the policy. Surrender rates are assumed not to vary by economic scenario. It was assumed that there would be no changes to retirement behaviour in low interest rate scenarios.

A sensitivity analysis has been carried out to illustrate the potential impact on planned enhancements to with-profits benefits reserve of GIRs on RSP business under certain scenarios modelled on a stochastic basis, where the results are aggregated and the average liability is calculated. If investment returns fall below a given level, it is possible that policyholders may defer their retirement. If policyholders defer their retirement by up to 5 years (from that previously assumed), while the interest rate in the scenario is below 2.5%, then the planned enhancements would reduce by £40m. If the level of interest rates at which behaviour changes is 3.5% and the same period of deferment is assumed, the amount is £70m. If the deferral were for a period of up to 10 years, the amounts are £50m at 2.5% and £100m at 3.5% respectively.

The Society has purchased a series of receiver swaptions with a range of terms. The purpose of these swaptions is to provide additional capital when interest rates on similar fixed-interest securities are anticipated to fall. These swaptions are designed to partially mitigate any increase in liabilities for RSP policies with a non–zero GIR if policyholders defer their retirement plans. The total market value of the swaptions at 31 December 2010 was £35m. A fall in interest rates of 1.0% at all terms would increase the value of the swaptions by £36m and a similar increase would decrease the value by £18m.

Financing Costs

7. Not applicable.

Other long-term insurance liabilities

8. There are several provisions in respect of various review programmes and to cover other risks. These liabilities also include allowance for short-term exceptional expenses mainly in connection with these review programmes and litigation costs. The total provision of £286.6m is composed of the following elements:

	£m
Regular expenses	180.8
Exceptional expenses	103.8
Other miscellaneous liabilities including mis-selling	2.0
Total other long-term insurance liabilities	286.6

An expense provision of £180.8m has been established against potential higher future costs arising as the fund runs off. The aim is to be able to maintain a stable percentage point charge to with-profits policies for regular expenses. The charge will remain at 1% p.a. This is a change from the assumption at the previous valuation that the expense charge would reduce from 1% pa to 0.5% pa from 1 January 2011 This change in assumptions reflects the decision to bring administration services back in-house rather than proceed with the planned change in TPA provider.

Realistic current liabilities

9. These liabilities include tax and social security creditors, other creditors arising out of direct insurance operations and a liability relating to the staff pension scheme (£83 m). The total realistic current liabilities of £173m are the same as the regulatory valuation current liabilities.

Risk Capital Margin

10. (a) The Risk Capital Margin at 31 December 2010 was zero. This is a consequence of reducing the planned enhancements to policyholders as described in section 10(b)(i) below. The stress scenarios described below were tested:

(i) The scenarios tested were rises and falls in the values of equities and property of 20% and 12.5% respectively. These percentages were applied to both UK and non-UK assets. The scenario where the market values of equities and property fell was the most onerous scenario.

(ii) The scenarios tested were a rise and fall of 17.5% of the long term gilt yield (being 69.81 basis points) for yields at all durations. The scenario where yields rise was the most onerous scenario prior and after to the impact of management actions.

(iii) (a) The credit risk scenario resulted in an average increase in the spread of about 72 basis points in respect of corporate bonds in the with-profits fund. The resultant fall in market values was approximately 6.3% of the total value of those bonds.

(b) Not applicable

(c) The credit risk event was not applied to the portfolio of business that is reassured with HBOS plc (a subsidiary of Lloyds Banking Group).

(d) Not applicable

(e) Not applicable

(iv) The overall increase in the realistic value of the liabilities as a result of applying the persistency stress was 1.0%.

(v) Not applicable

(b) (i) In the stress scenarios it has been assumed that when asset values fall at the start of the projection there will be an immediate reduction in policy values equal to the same percentage reduction. When asset values increase due to a fall in yields no further change in the policy values was assumed.

In the stress scenarios where yields rise it has been assumed that the charge for capital and cost of guarantees is increased from 1% to 1.25%. In the stress scenarios where yields fall it has been assumed that the charge for capital and cost of guarantees is increased from 1% to 1.5%.

In the stress scenarios the value of the swaptions changes. In the stress scenarios where yields rise the value of assets was reduced by the £14m fall in the value of the swaptions. In the stress scenarios where yields fall the swaptions increased in value by £23m. However, the value of assets was not adjusted as it was assumed that the increase would be exactly offset by the impact of RSP policyholders deferring their retirement plans.

In the stress scenarios it is assumed that the target asset mix to which the fund is rebalanced at the end of each year, as described in section 6(5)(a), is changed with the fund instead being rebalanced each year to the actual asset mix immediately following application of the stresses.

(ii) The reduction to policy values, changes to asset mix as described above and increase in charges described in section 10(b)(i) above reduces the RCM. The amount of the RCM calculated before and after these changes would be as follows:

Stress scenario	Before	After
Yields rise	£160m	£50m
Yields fall	£190m	£108m

As described in section 6(5)(a), any residual excess of assets over liabilities would be included under planned enhancements to with-profits benefits reserve such that the Working Capital remains zero. Therefore the Risk Capital Margin is zero.

(iii) Changing the asset mix in the stress scenarios, as described above, results in the equity backing ratios as shown in the table below.

	31/12/2010	31/12/2015	31/12/2020
Yields increase by 17.5% without management action	4.1%	0%	0%
Yields reduce by 17.5% without management action	3.8%	0%	0%
Yields increase by 17.5% with management action	4.1%	0%	0%
Yields reduce by 17.5% with management action	3.8%	0%	0%

There are assumed to be no future declared reversionary bonuses.

(iv) In the most onerous stress scenario the value of past and future cost of guarantees is in excess of the value of past and future charges i.e. the requirements of INSPRU 1.3.188R would be met.

(c) (i) No assets are required to cover the risk capital margin.

(ii) Not applicable.

11. **Tax**

Tax is payable on an "I-E" basis for life business. The tax payable is deducted from future increases to policy values (or their equivalents).

12. **Derivatives**

The Society holds a series of swaptions to partially mitigate the impact of RSP pensions policyholders deferring their retirement plans during periods of low interest rates. Margining is used to provide appropriate collateral. The total market value of the swaptions at 31 December 2010 was £35m (£34m at 31 December 2009).

In December 2009 the Society purchased a US Dollar forward exchange contract to reduce its exposure to exchange rate movements. During 2010, the Society bought a long US Dollar forward exchange contract to adjust its exposure to exchange rate movements following the sale of some US Dollar denominated assets. At 31 December 2010 the nominal amount of the contracts net of the long position was US$136m (US$130 at 31 December 2009).

At December 2010, a number of long Gilt futures contracts with a nominal value of £26m were held. This was a temporary position while rebalancing the fund's fixed interest holdings was carried out. The contracts were sold in January 2011.

13. **Analysis of change in working capital**

The movement in the Working Capital from £0m at the previous valuation to £0m has been analysed as follows:

Item	**Effect (£m)**
Add back opening zeroisation impact	673
Investment return on the opening working capital	52
Mismatch profits and losses on assets backing the future policy related liabilities	-147
Economic assumption changes	-1
Other valuation assumption changes	83
Investment variance	229
Demographic and expense variance	-211
Change in provisions and current liabilities	0
Modelling changes	0
Other	15
Closing zeroisation impact	(693)
Total change	0

14. **Optional Disclosure**

Not applicable

RETURNS UNDER INSURANCE COMPANIES LEGISLATION

THE EQUITABLE LIFE ASSURANCE SOCIETY

FINANCIAL YEAR END 31 DECEMBER 2010

ADDITIONAL INFORMATION AS REQUIRED BY IPRU (INS) 9.29

(a) All derivative transactions may only be entered into following prior approval by the Society's Executive Investment Committee, which operates within guidelines set by the Board. In all cases, use of derivative instruments is restricted to the purpose of managing exposure and reducing risk. No derivative contracts were entered into on a speculative basis.

(b) There are no specific guidelines for the use of contracts not reasonably likely to be exercised. However, the Society's Board only allows the use of derivatives for the purpose of efficient portfolio management or to reduce risk.

(c) The fund holds receiver swaptions, at a range of terms, to partially hedge guaranteed investment return risk within the fund. Each position pays out if 10-year swap rates are below 4.5% at the time of exercise. The strike of 4.5% is at a high enough level that the Society considers itself not to have entered into contracts not reasonably likely to be exercised. As at 31 December 2010, 100% of the swaption holdings by value are 'in the money'.

(d) The Society did not, at any time during the financial year, hold a derivative contract which required a significant provision to be made for it under INSPRU 3.2.17R or (where appropriate) did not fall within the definition of a permitted derivative contract.

(e) The Society did not grant any rights under derivative contracts during the year.

RETURNS UNDER INSURANCE COMPANIES LEGISLATION

THE EQUITABLE LIFE ASSURANCE SOCIETY

FINANCIAL YEAR END 31 DECEMBER 2010

ADDITIONAL INFORMATION AS REQUIRED BY IPRU (INS) 9.30

The Society has no shareholder controllers because it is a mutual company.

RETURNS UNDER INSURANCE COMPANIES LEGISLATION

THE EQUITABLE LIFE ASSURANCE SOCIETY

FINANCIAL YEAR END 31 DECEMBER 2010

CERTIFICATE REQUIRED BY IPRU(INS) 9.34 AND APPENDIX 9.6

We certify that:

1) the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU;

2) we are satisfied that:

   a) throughout the financial year ended 31 December 2010 and other than as specified below, the Society has complied in all material respects with the requirements in SYSC and PRIN as well as the provisions of IPRU(INS), PRU, GENPRU and INSPRU (as applicable); and

      The Society is dependent on the delivery of administration and investment services by HBOS group of companies within the Lloyds Banking Group (“HBOS”), BlackRock Investment Management (UK) Limited ("BlackRock") (from 1 October 2010), Insight Investment Management (Global) Limited ("Insight") (until 30 September 2010) and Invista Real Estate Investment Management ("Invista"). The Society is reliant on the systems and controls operated by HBOS, BlackRock, Insight and Invista and, in making the above statement in respect of SYSC, the directors have relied upon information received from and appropriate disclosures having been made by those organisations to the Society.

   b) other than as specified in (a) it is reasonable to believe that the Society has continued so to comply subsequently, and will continue so to comply in future;

3) in our opinion, premiums for contracts entered into during the financial year ended 31 December 2010 and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the Society that are available for the purpose, to enable the Society to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;

4) the sum of the mathematical reserves and the deposits received from reinsurers as shown in Form 14 constitute proper provision as at 31 December 2010 for the long-term insurance liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before 31 December 2010) 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;

5) 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; and

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

a) advice from the actuary appointed by the Society to perform the actuarial function in accordance with SUP 4.3.13R; and

b) advice from the actuary appointed by the Society to perform the with-profits actuary function in accordance with SUP 4.3.16AR.

Ian Brimecome, Chairman

Chris Wiscarson, Chief Executive

Tim Bateman, Finance Director

30 March 2011

RETURNS UNDER INSURANCE COMPANIES LEGISLATION

AUDITORS' REPORT: REGULATORY RETURN FOR A LIFE INSURANCE COMPANY

FINANCIAL YEAR END 31 DECEMBER 2010

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

We have audited the following documents prepared by the insurer pursuant to the Accounts and Statements 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 Prudential Sourcebook for Insurers ('the Rules') made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 2, 3, 13, 14, 17 to 19, 40 to 43, 48, 49, 56, 58 and 60, (including the supplementary notes on pages 54 to 59) ('the Forms');
- the statement required by IPRU(INS) rule 9.29 on page 98 ('the Statement');
- the valuation report required by IPRU(INS) rule 9.31(a) on pages 60 to 77 ('the valuation report'); and
- the statements, analysis and reports required by IPRU(INS) rule 9.31(b) on pages 78 to 97 ("the realistic valuation report")

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

- Forms 46 to 47, 50 to 54, 57, 59A and 59B (including the supplementary notes on pages 54 to 59);.
- the statements required by IPRU(INS) rules 9.30 and 9.36 on pages 99 and 105; and
- the certificate required by IPRU(INS) rule 9.34(1) on pages 100 to 101 ('the Certificate').

Respective responsibilities of the insurer and its auditors

The Society is responsible for the preparation of an annual return (including the Forms, the Statement, the valuation report, and 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 a direction issued under section 148 of the Financial Services and Markets Act 2000 on 21 December 2007. 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 Society 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 opinion to you. We also report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Forms, the Statement and the valuation report are not in agreement with the accounting records and returns; or
- we have not received all the information we require for our audit.

This report has been prepared for the directors of the insurer 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.

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 Society for the financial year. It also included an assessment of the significant estimates and judgements made by the Society 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 Society.

Opinion

In our opinion:

(i) 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

(ii) the methods and assumptions determined by the Society and used to perform the actuarial investigation as set out in the valuation report appropriately reflect the requirements of INSPRU 1.2 and 1.3.

PricewaterhouseCoopers LLP
Registered Auditor
30 March 2011

RETURNS UNDER INSURANCE COMPANIES LEGISLATION

THE EQUITABLE LIFE ASSURANCE SOCIETY

FINANCIAL YEAR END 31 DECEMBER 2010

STATEMENT OF INFORMATION REQUIRED BY IPRU (INS) 9.36

R Merry was the With-Profits Actuary for the Society throughout the year. The particulars to be given in compliance with IPRU (INS) 9.36 are :-

a) Shareholding

R Merry had no interest in any shares or debentures issued by the Society.

b) Pecuniary Interest

R Merry holds unit-linked benefits in the AVC Scheme of the Equitable Pension Fund and Life Assurance Scheme under which premiums of £2,400 were paid during 2010.

c) Aggregate Remuneration

R Merry's services as With-Profits Actuary were supplied under a contract of administration between the Society and a subsidiary of HBOS plc, which is part of Lloyds Banking Group. R Merry was employed by companies in the Lloyds Banking Group during the period in question.

R Merry was not a Director of the Society.

d) Other Pecuniary Benefits

R Merry received no other pecuniary benefit from the Society.

The Society requested R Merry to furnish the particulars specified in IPRU (INS) 9.36.

The above particulars were furnished by R Merry and they agree with the Society's records.