

# **Royal London Mutual Insurance Society Limited**

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

**31 December 2006**

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

**Statement of solvency - long-term insurance business**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**

Group solvency calculation

	Company registration number	GL/ UK/ CM	day month year			Units	
			day	month	year		
	<b>R2</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2006</b>	<b>£000</b>
				<b>As at end of this financial year</b>		<b>As at end of the previous year</b>	
				<b>1</b>		<b>2</b>	

**Capital resources**

Capital resources arising within the long-term insurance fund	<b>11</b>	3925393	3324952
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	<b>12</b>		
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	<b>13</b>	3925393	3324952

**Guarantee fund**

Guarantee fund requirement	<b>21</b>	191531	206303
Excess (deficiency) of available capital resources to cover guarantee fund requirement	<b>22</b>	3733862	3118649

**Minimum capital requirement (MCR)**

Long-term insurance capital requirement	<b>31</b>	530800	576837
Resilience capital requirement	<b>32</b>		534098
Base capital resources requirement	<b>33</b>	1604	1522
Individual minimum capital requirement	<b>34</b>	530800	1110935
Capital requirements of regulated related undertakings	<b>35</b>	14598	14024
Minimum capital requirement (34+35)	<b>36</b>	545398	1124959
Excess (deficiency) of available capital resources to cover 50% of MCR	<b>37</b>	3526346	2421104
Excess (deficiency) of available capital resources to cover 75% of MCR	<b>38</b>	3516345	2481233

**Enhanced capital requirement**

With-profits insurance capital component	<b>39</b>	1585684	687755
Enhanced capital requirement	<b>40</b>	2131081	1812714

**Capital resources requirement (CRR)**

Capital resources requirement (greater of 36 and 40)	<b>41</b>	2131081	1812714
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	<b>42</b>	1794312	1512238

**Contingent liabilities**

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

**Covering Sheet to Form 2**

**Form 2**

Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**

..... **M Yardley**

..... **S Shone**

..... **B Duffin**

**29 March 2007**

**Components of capital resources**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**

	Company registration number	GL/ UK/ CM	day month year			Units	
	<b>R3</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2006</b>	<b>£000</b>
		General insurance business	Long-term insurance business	Total as at the end of this financial year		Total as at the end of the previous year	
		<b>1</b>	<b>2</b>	<b>3</b>		<b>4</b>	

**Core tier one capital**

Permanent share capital	<b>11</b>				
Profit and loss account and other reserves	<b>12</b>				
Share premium account	<b>13</b>				
Positive valuation differences	<b>14</b>		2217196	2217196	1836427
Fund for future appropriations	<b>15</b>		2001234	2001234	1570149
Core tier one capital in related undertakings	<b>16</b>				
Core tier one capital (sum of 11 to 16)	<b>19</b>		4218430	4218430	3406575

**Tier one waivers**

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	<b>21</b>				
Implicit Items	<b>22</b>				100000
Tier one waivers in related undertakings	<b>23</b>				
Total tier one waivers as restricted (21+22+23)	<b>24</b>				100000

**Other tier one capital**

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

<b>Total tier one capital before deductions (19+24+25+26+27+28)</b>	<b>31</b>		4218430	4218430	3506575
Investments in own shares	<b>32</b>				
Intangible assets	<b>33</b>		419385	419385	522992
Amounts deducted from technical provisions for discounting	<b>34</b>				
Other negative valuation differences	<b>35</b>				
Deductions in related undertakings	<b>36</b>				
Deductions from tier one (32 to 36)	<b>37</b>		419385	419385	522992
<b>Total tier one capital after deductions (31-37)</b>	<b>39</b>		3799045	3799045	2983583

**Components of capital resources**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**

	Company registration number	GL/ UK/ CM	day month year			Units
<b>R3</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2006</b>	<b>£000</b>
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	

**Tier two capital**

Implicit items, (tier two waivers and amounts excluded from line 22)	<b>41</b>				
Perpetual non-cumulative preference shares excluded from line 25	<b>42</b>				
Innovative tier one capital excluded from line 27	<b>43</b>				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	<b>44</b>				
Perpetual cumulative preference shares	<b>45</b>				
Perpetual subordinated debt and securities	<b>46</b>		395972	395972	520521
Upper tier two capital in related undertakings	<b>47</b>				
<b>Upper tier two capital (44 to 47)</b>	<b>49</b>		395972	395972	520521

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

<b>Total tier two capital before restrictions (49+59)</b>	<b>61</b>		395972	395972	520521
Excess tier two capital	<b>62</b>				
Further excess lower tier two capital	<b>63</b>				
<b>Total tier two capital after restrictions, before deductions (61-62-63)</b>	<b>69</b>		395972	395972	520521

**Components of capital resources**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**

	Company registration number	GL/ UK/ CM	day month year			Units
<b>R3</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2006</b>	<b>£000</b>
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	

**Total capital resources**

Positive adjustments for regulated non-insurance related undertakings	<b>71</b>				
<b>Total capital resources before deductions (39+69+71)</b>	<b>72</b>		4195017	4195017	3504104
Inadmissible assets other than intangibles and own shares	<b>73</b>		263912	263912	174850
Assets in excess of market risk and counterparty limits	<b>74</b>				
Deductions for related ancillary services undertakings	<b>75</b>		5712	5712	4301
Deductions for regulated non-insurance related undertakings	<b>76</b>				
Deductions of ineligible surplus capital	<b>77</b>				
<b>Total capital resources after deductions (72-73-74-75-76-77)</b>	<b>79</b>		3925393	3925393	3324952

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

Available capital resources for guarantee fund requirement	<b>81</b>		3925393	3925393	3324952
Available capital resources for 50% MCR requirement	<b>82</b>		3799045	3799045	2983583
Available capital resources for 75% MCR requirement	<b>83</b>		3925393	3925393	3324952

**Financial engineering adjustments**

Implicit items	<b>91</b>				100000
Financial reinsurance - ceded	<b>92</b>				
Financial reinsurance - accepted	<b>93</b>				
Outstanding contingent loans	<b>94</b>				
Any other charges on future profits	<b>95</b>				
<b>Sum of financial engineering adjustments (91+92-93+94+95)</b>	<b>96</b>				100000

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

Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**

Long term insurance business

		Company registration number	GL/UK/CM	day	month	year	Units	
		R11	99064	GL	31	12	2006	£000
				This financial year			Previous year	
				1			2	
Gross premiums written				11	14977			
Premiums taxes and levies (included in line 11)				12				
Premiums written net of taxes and levies (11-12)				13	14977			
Premiums for classes 11, 12 or 13 (included in line 13)				14				
Premiums for "actuarial health insurance" (included in line 13)				15	1500			
<b>Sub-total A (13 + 1/2 14 - 2/3 15)</b>				16	13978			
Gross premiums earned				21	14977			
Premium taxes and levies (included in line 21)				22				
Premiums earned net of taxes and levies (21-22)				23	14977			
Premiums for classes 11, 12 or 13 (included in line 23)				24				
Premiums for "actuarial health insurance" (included in line 23)				25	1500			
<b>Sub-total H (23 + 1/2 24 - 2/3 25)</b>				26	13978			
<b>Sub-total I (higher of sub-total A and sub-total H)</b>				30	13978			
<b>Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure</b>				31				
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18			32	2516			
	Excess (if any) over 53.1M EURO x 0.02			33				
<b>Sub-total J (32-33)</b>				34	2516			
Claims paid in period of 3 financial years				41	16455			
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis			42				
	For insurance business accounted for on an accident year basis			43	45133			
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis			44				
	For insurance business accounted for on an accident year basis			45	33965			
<b>Sub-total C (41+42+43-44-45)</b>				46	27623			
Amounts recoverable from reinsurers in respect of claims included in Sub-total C				47	8913			
<b>Sub-total D (46-47)</b>				48	18710			
<b>Reinsurance Ratio (Sub-total D / sub-total C or, if more, 0.5 or, if less, 1.00)</b>				49	0.68			
<b>Premiums amount (Sub-total J x reinsurance ratio)</b>				50	1704			
Provision for claims outstanding (before discounting and net of reinsurance)				51	38170		37145	
<b>Brought forward amount (12.43.2 x 51.1 / 51.2 or, if less, 12.43.2)</b>				52	1322			
Greater of lines 50 and 52				53	1704			

**Calculation of general insurance capital requirement - claims amount and result**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**

Long term insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	99064	GL	31	12	2006	£000
				This financial year 1			Previous year 2	
Reference period (No. of months) See INSPRU 1.1.63R				11	36			
Claims paid in reference period				21	16455			
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis			22				
	For insurance business accounted for on an accident year basis			23	45133			
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis			24				
	For insurance business accounted for on an accident year basis			25	33965			
Claims incurred in reference period (21+22+23-24-25)				26	27623			
Claims incurred for classes 11, 12 or 13 (included in 26)				27				
Claims incurred for "actuarial health insurance" (included in 26)				28	15590			
<b>Sub-total E (26 +1/2 27 - 2/3 28)</b>				29	17229			
<b>Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)</b>				31	5743			
Division of sub-total F (gross adjusted claims amount)	x 0.26			32	1493			
	Excess (if any) over 37.2M EURO x 0.03			33				
<b>Sub-total G (32-33)</b>				39	1493			
<b>Claims amount Sub-total G x reinsurance ratio (11.49)</b>				41	1011			
Higher of premiums amount and brought forward amount (11.53)				42	1704			
<b>General insurance capital requirement (higher of lines 41 and 42)</b>				43	1704			1322

**Analysis of admissible assets**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Total long term insurance business assets**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
	R13	99064	GL	31	12	2006	£000	10
							As at end of this financial year	As at end of the previous year
							1	2
Land and buildings			11				1696676	1544171

**Investments in group undertakings and participating interests**

UK insurance dependants	Shares	21	27159	36840
	Debts and loans	22		
Other insurance dependants	Shares	23	3782	
	Debts and loans	24		
Non-insurance dependants	Shares	25	17839	9558
	Debts and loans	26		
Other group undertakings	Shares	27	97359	64516
	Debts and loans	28	29173	28758
Participating interests	Shares	29		
	Debts and loans	30		

**Other financial investments**

Equity shares	41	5933117	5228389	
Other shares and other variable yield participations	42	67315		
Holdings in collective investment schemes	43	251700	201502	
Rights under derivative contracts	44	212470	232001	
Fixed interest securities	Approved	45	2881121	5295328
	Other	46	2986581	2619637
Variable interest securities	Approved	47	230082	110298
	Other	48	414877	185558
Participation in investment pools	49	183843	154548	
Loans secured by mortgages	50			
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52	24328	28545	
Other loans	53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	28663	40065
	More than one month withdrawal	55		
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58	11820	12512
	Property linked	59	7774723	6730063

**Analysis of admissible assets**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Total long term insurance business assets**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets
	<b>R13</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2006</b>	<b>£000</b>
							<b>10</b>
						<b>As at end of this financial year</b>	<b>As at end of the previous year</b>
						<b>1</b>	<b>2</b>

**Reinsurers' share of technical provisions**

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

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	16526	13494
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>	333	887
	Ceded	<b>75</b>		
Dependants	due in 12 months or less	<b>76</b>	18776	13276
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	112850	71621
	due in more than 12 months	<b>79</b>		

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	374197	278288
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>		
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>		

Deductions from the aggregate value of assets	<b>87</b>		
---	-----------	--	--

Grand total of admissible assets after deduction of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	23395311	22899852
--	-----------	----------	----------

**Analysis of admissible assets**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Total long term insurance business assets**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets
<b>R13</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2006</b>	<b>£000</b>	<b>10</b>
						<b>As at end of this financial year</b>	<b>As at end of the previous year</b>
						<b>1</b>	<b>2</b>

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

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	<b>91</b>	23395311	22899852
Assets in excess of market and counterparty limits	<b>92</b>		
Capital resources requirement deduction of regulated related undertakings	<b>93</b>	14598	14024
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>94</b>		
Inadmissible assets of regulated related insurance undertakings	<b>95</b>		
Book value of related ancillary services undertakings	<b>96</b>	5712	4301
Other differences in the valuation of assets (other than for assets not valued above)	<b>97</b>	8176	9102
Deferred acquisition costs excluded from line 89	<b>98</b>	194102	162569
Reinsurers' share of technical provisions excluded from line 89	<b>99</b>	297730	1253721
Other asset adjustments (may be negative)	<b>100</b>	768567	715230
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 100)	<b>101</b>	24684196	25058800
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>102</b>	2	20

**Analysis of admissible assets**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Royal London Other Long Term Funds**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
	R13	99064	GL	31	12	2006	£000	11
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings							1488961	1312206

**Investments in group undertakings and participating interests**

UK insurance dependants	Shares	21	27159	36840
	Debts and loans	22		
Other insurance dependants	Shares	23	3782	
	Debts and loans	24		
Non-insurance dependants	Shares	25	17839	9558
	Debts and loans	26		
Other group undertakings	Shares	27	91180	47902
	Debts and loans	28	1300	1300
Participating interests	Shares	29		
	Debts and loans	30		

**Other financial investments**

Equity shares	41	5235473	4342318	
Other shares and other variable yield participations	42	47514		
Holdings in collective investment schemes	43	181683	161942	
Rights under derivative contracts	44	37333	41119	
Fixed interest securities	Approved	45	1340355	3225598
	Other	46	1826105	1551461
Variable interest securities	Approved	47	230082	110298
	Other	48	312409	133696
Participation in investment pools	49	183843	154548	
Loans secured by mortgages	50			
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52	23465	26983	
Other loans	53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	25772	40045
	More than one month withdrawal	55		
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58	11820	12512
	Property linked	59	7543532	6530841

**Analysis of admissible assets**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Royal London Other Long Term Funds**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
<b>R13</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2006</b>	<b>£000</b>	<b>11</b>
					<b>As at end of this financial year</b>	<b>As at end of the previous year</b>	
					<b>1</b>	<b>2</b>	

**Reinsurers' share of technical provisions**

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

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	15546	10922
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>	333	887
	Ceded	<b>75</b>		
Dependants	due in 12 months or less	<b>76</b>	9619	4359
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	101821	30837
	due in more than 12 months	<b>79</b>		

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	315349	278288
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>		
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>		

Deductions from the aggregate value of assets	<b>87</b>		
---	-----------	--	--

Grand total of admissible assets after deduction of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	19072274	18064459
--	-----------	----------	----------

**Analysis of admissible assets**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Royal London Other Long Term Funds**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
<b>R13</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2006</b>	<b>£000</b>	<b>11</b>
						<b>As at end of this financial year</b>	<b>As at end of the previous year</b>
						<b>1</b>	<b>2</b>

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

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	<b>91</b>	19072274	18064459
Assets in excess of market and counterparty limits	<b>92</b>		
Capital resources requirement deduction of regulated related undertakings	<b>93</b>	14598	14024
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>94</b>		
Inadmissible assets of regulated related insurance undertakings	<b>95</b>		
Book value of related ancillary services undertakings	<b>96</b>	5712	4301
Other differences in the valuation of assets (other than for assets not valued above)	<b>97</b>	8176	9102
Deferred acquisition costs excluded from line 89	<b>98</b>	194102	162569
Reinsurers' share of technical provisions excluded from line 89	<b>99</b>	296282	1251631
Other asset adjustments (may be negative)	<b>100</b>	769415	715190
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 100)	<b>101</b>	20360559	20221277
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>102</b>	2	20

**Analysis of admissible assets**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Scottish Life Fund**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets	
	R13	99064	GL	31	12	2006	£000	12
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings							207716	231965

**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	6179	16614
	Debts and loans	28	27873	27458
Participating interests	Shares	29		
	Debts and loans	30		

**Other financial investments**

Equity shares	41	697645	886071	
Other shares and other variable yield participations	42	19801		
Holdings in collective investment schemes	43	70017	39560	
Rights under derivative contracts	44	175138	190882	
Fixed interest securities	Approved	45	1540766	2069729
	Other	46	1160476	1068175
Variable interest securities	Approved	47		
	Other	48	102468	51862
Participation in investment pools	49			
Loans secured by mortgages	50			
Loans to public or local authorities and nationalised industries or undertakings	51			
Loans secured by policies of insurance issued by the company	52	863	1562	
Other loans	53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	2891	20
	More than one month withdrawal	55		
Other financial investments	56			
Deposits with ceding undertakings	57			
Assets held to match linked liabilities	Index linked	58		
	Property linked	59	231190	199222

**Analysis of admissible assets**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Scottish Life Fund**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
<b>R13</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2006</b>	<b>£000</b>	<b>12</b>
						<b>As at end of this financial year</b>	<b>As at end of the previous year</b>
						<b>1</b>	<b>2</b>

**Reinsurers' share of technical provisions**

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

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	979	2572
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>		
	Ceded	<b>75</b>		
Dependants	due in 12 months or less	<b>76</b>	9158	8917
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	11028	40783
	due in more than 12 months	<b>79</b>		

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	58848	
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>		
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>		

Deductions from the aggregate value of assets	<b>87</b>		
---	-----------	--	--

Grand total of admissible assets after deduction of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	4323037	4835393
--	-----------	---------	---------

**Analysis of admissible assets**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Scottish Life Fund**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets
<b>R13</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2006</b>	<b>£000</b>	<b>12</b>
						<b>As at end of this financial year</b>	<b>As at end of the previous year</b>
						<b>1</b>	<b>2</b>

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

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	<b>91</b>	4323037	4835393
Assets in excess of market and counterparty limits	<b>92</b>		
Capital resources requirement deduction of regulated related undertakings	<b>93</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>94</b>		
Inadmissible assets of regulated related insurance undertakings	<b>95</b>		
Book value of related ancillary services undertakings	<b>96</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>97</b>		
Deferred acquisition costs excluded from line 89	<b>98</b>		
Reinsurers' share of technical provisions excluded from line 89	<b>99</b>	1448	2090
Other asset adjustments (may be negative)	<b>100</b>	(848)	40
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 100)	<b>101</b>	4323637	4837523
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>102</b>		

**Long term insurance business liabilities and margins**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Total business/Sub fund **10 Summary**Units **£000**

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

Mathematical reserves, after distribution of surplus	<b>11</b>	18945561	19258107	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>			
Balance of surplus/(valuation deficit)	<b>13</b>			
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	18945561	19258107	
Claims outstanding	Gross	<b>15</b>	85185	62513
	Reinsurers' share	<b>16</b>	4229	8740
	Net (15-16)	<b>17</b>	80957	53772
Provisions	Taxation	<b>21</b>	138956	86187
	Other risks and charges	<b>22</b>	39236	20260
Deposits received from reinsurers	<b>23</b>			
Creditors	Direct insurance business	<b>31</b>	76548	141048
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>	15163	960
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>	14463	4266
Amounts owed to credit institutions	<b>36</b>	43358		
Creditors	Taxation	<b>37</b>		18402
	Other	<b>38</b>	510577	605296
Accruals and deferred income	<b>39</b>	14343	18956	
Provision for "reasonably foreseeable adverse variations"	<b>41</b>			
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	933601	949147	
Excess of the value of net admissible assets	<b>51</b>	3516149	2692598	
Total liabilities and margins	<b>59</b>	23395312	22899852	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	39131	34381
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	7774285	6724741

Total liabilities (11+12+49)	<b>71</b>	19879162	20207254
Increase to liabilities - DAC related	<b>72</b>	194102	162569
Reinsurers' share of technical provisions	<b>73</b>	297730	1253721
Other adjustments to liabilities (may be negative)	<b>74</b>	797053	742659
Capital and reserves and fund for future appropriations	<b>75</b>	3516150	2692598
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)	<b>76</b>	24684197	25058802

**Long term insurance business liabilities and margins**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Total business/Sub fund **11 Royal London Other Long Term Funds**Units **£000**

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

Mathematical reserves, after distribution of surplus	<b>11</b>	14925117	14867857	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>			
Balance of surplus/(valuation deficit)	<b>13</b>			
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	14925117	14867857	
Claims outstanding	Gross	<b>15</b>	72376	49578
	Reinsurers' share	<b>16</b>	4229	8073
	Net (15-16)	<b>17</b>	68147	41505
Provisions	Taxation	<b>21</b>	138956	86187
	Other risks and charges	<b>22</b>	28836	20260
Deposits received from reinsurers	<b>23</b>			
Creditors	Direct insurance business	<b>31</b>	49689	113465
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>	15145	619
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>	14463	2689
Amounts owed to credit institutions	<b>36</b>	43358		
Creditors	Taxation	<b>37</b>		10391
	Other	<b>38</b>	465720	442819
Accruals and deferred income	<b>39</b>	12453	16742	
Provision for "reasonably foreseeable adverse variations"	<b>41</b>			
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	836767	734675	
Excess of the value of net admissible assets	<b>51</b>	3310390	2461926	
Total liabilities and margins	<b>59</b>	19072274	18064459	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	39106	33349
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	7543095	6525519

Total liabilities (11+12+49)	<b>71</b>	15761884	15602533
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)	<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Total business/Sub fund **21 Royal London IB & OB Subfund**Units **£000**

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

Mathematical reserves, after distribution of surplus	<b>11</b>	12633871	10190038	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>			
Balance of surplus/(valuation deficit)	<b>13</b>			
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	12633871	10190038	
Claims outstanding	Gross	<b>15</b>	70811	29530
	Reinsurers' share	<b>16</b>	4229	
	Net (15-16)	<b>17</b>	66582	29530
Provisions	Taxation	<b>21</b>	71298	35730
	Other risks and charges	<b>22</b>	19736	10225
Deposits received from reinsurers	<b>23</b>			
Creditors	Direct insurance business	<b>31</b>	31043	94455
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>	15145	619
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>	9238	2689
Amounts owed to credit institutions	<b>36</b>	43358		
Creditors	Taxation	<b>37</b>		3120
	Other	<b>38</b>	462833	300745
Accruals and deferred income	<b>39</b>	12453	14669	
Provision for "reasonably foreseeable adverse variations"	<b>41</b>			
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	731686	491782	
Excess of the value of net admissible assets	<b>51</b>	2260346	1414606	
Total liabilities and margins	<b>59</b>	15625903	12096426	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	39105	33348
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	7543095	5985487

Total liabilities (11+12+49)	<b>71</b>	13365557	10681820
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)	<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Total business/Sub fund **22 Refuge Assurance OB Subfund**Units **£000**

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

Mathematical reserves, after distribution of surplus		<b>11</b>		2334882
Cash bonuses which had not been paid to policyholders prior to end of the financial year		<b>12</b>		
Balance of surplus/(valuation deficit)		<b>13</b>		
Long term insurance business fund carried forward (11 to 13)		<b>14</b>		2334882
Claims outstanding	Gross	<b>15</b>		18421
	Reinsurers' share	<b>16</b>		8073
	Net (15-16)	<b>17</b>		10347
Provisions	Taxation	<b>21</b>		156
	Other risks and charges	<b>22</b>		3469
Deposits received from reinsurers		<b>23</b>		
Creditors	Direct insurance business	<b>31</b>		3137
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>		
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		
Amounts owed to credit institutions		<b>36</b>		
Creditors	Taxation	<b>37</b>		2098
	Other	<b>38</b>		140542
Accruals and deferred income		<b>39</b>		2073
Provision for "reasonably foreseeable adverse variations"		<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)		<b>49</b>		161822
Excess of the value of net admissible assets		<b>51</b>		266529
Total liabilities and margins		<b>59</b>		2763233

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		<b>61</b>		
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		<b>62</b>		540032

Total liabilities (11+12+49)		<b>71</b>		2496704
Increase to liabilities - DAC related		<b>72</b>		
Reinsurers' share of technical provisions		<b>73</b>		
Other adjustments to liabilities (may be negative)		<b>74</b>		
Capital and reserves and fund for future appropriations		<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)		<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Total business/Sub fund **23 Refuge Assurance IB Subfund**Units **£000**

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

Mathematical reserves, after distribution of surplus	<b>11</b>	352052	405007
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus/(valuation deficit)	<b>13</b>		
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	352052	405007
Claims outstanding	Gross	<b>15</b>	
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	
Provisions	Taxation	<b>21</b>	15308
	Other risks and charges	<b>22</b>	1348
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	7702
	Reinsurance accepted	<b>32</b>	
	Reinsurance ceded	<b>33</b>	
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	774
Amounts owed to credit institutions	<b>36</b>		
Creditors	Taxation	<b>37</b>	1962
	Other	<b>38</b>	463
Accruals and deferred income	<b>39</b>		
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	25595	22287
Excess of the value of net admissible assets	<b>51</b>	158331	123640
Total liabilities and margins	<b>59</b>	535977	550934

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	1	1
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>		

Total liabilities (11+12+49)	<b>71</b>	377646	427294
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)	<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Total business/Sub fund **24 United Friendly OB Subfund**Units **£000**

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

Mathematical reserves, after distribution of surplus	<b>11</b>	1313047	1264120	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>			
Balance of surplus/(valuation deficit)	<b>13</b>			
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	1313047	1264120	
Claims outstanding	Gross	<b>15</b>	1565	1627
	Reinsurers' share	<b>16</b>		
	Net (15-16)	<b>17</b>	1565	1627
Provisions	Taxation	<b>21</b>	13175	9689
	Other risks and charges	<b>22</b>	4500	3102
Deposits received from reinsurers	<b>23</b>			
Creditors	Direct insurance business	<b>31</b>	8639	6890
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>		
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>	2584	
Amounts owed to credit institutions	<b>36</b>			
Creditors	Taxation	<b>37</b>		1888
	Other	<b>38</b>	1602	825
Accruals and deferred income	<b>39</b>			
Provision for "reasonably foreseeable adverse variations"	<b>41</b>			
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	32064	24021	
Excess of the value of net admissible assets	<b>51</b>	370925	230944	
Total liabilities and margins	<b>59</b>	1716036	1519085	

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

Total liabilities (11+12+49)	<b>71</b>	1345111	1288141
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)	<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Total business/Sub fund **25 United Friendly IB Subfund**Units **£000**

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

Mathematical reserves, after distribution of surplus	<b>11</b>	626147	673810
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus/(valuation deficit)	<b>13</b>		
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	626147	673810
Claims outstanding	Gross	<b>15</b>	
	Reinsurers' share	<b>16</b>	
	Net (15-16)	<b>17</b>	
Provisions	Taxation	<b>21</b>	39174
	Other risks and charges	<b>22</b>	3253
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	2304
	Reinsurance accepted	<b>32</b>	
	Reinsurance ceded	<b>33</b>	
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	1868
Amounts owed to credit institutions	<b>36</b>		
Creditors	Taxation	<b>37</b>	1323
	Other	<b>38</b>	823
Accruals and deferred income	<b>39</b>		
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	47422	34764
Excess of the value of net admissible assets	<b>51</b>	520788	426208
Total liabilities and margins	<b>59</b>	1194357	1134782

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

Total liabilities (11+12+49)	<b>71</b>	673569	708574
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)	<b>76</b>		

**Long term insurance business liabilities and margins**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Total business/Sub fund **26 Scottish Life Fund**Units **£000**

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

Mathematical reserves, after distribution of surplus	<b>11</b>	4020444	4390250	
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>			
Balance of surplus/(valuation deficit)	<b>13</b>			
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	4020444	4390250	
Claims outstanding	Gross	<b>15</b>	12810	12935
	Reinsurers' share	<b>16</b>		667
	Net (15-16)	<b>17</b>	12810	12268
Provisions	Taxation	<b>21</b>		
	Other risks and charges	<b>22</b>	10400	
Deposits received from reinsurers	<b>23</b>			
Creditors	Direct insurance business	<b>31</b>	26859	27583
	Reinsurance accepted	<b>32</b>		
	Reinsurance ceded	<b>33</b>	18	342
Debenture loans	Secured	<b>34</b>		
	Unsecured	<b>35</b>		1577
Amounts owed to credit institutions	<b>36</b>			
Creditors	Taxation	<b>37</b>		8011
	Other	<b>38</b>	44858	162477
Accruals and deferred income	<b>39</b>	1890	2214	
Provision for "reasonably foreseeable adverse variations"	<b>41</b>			
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	96834	214472	
Excess of the value of net admissible assets	<b>51</b>	205760	230672	
Total liabilities and margins	<b>59</b>	4323038	4835393	

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	25	1031
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	231190	199222

Total liabilities (11+12+49)	<b>71</b>	4117278	4604722
Increase to liabilities - DAC related	<b>72</b>		
Reinsurers' share of technical provisions	<b>73</b>		
Other adjustments to liabilities (may be negative)	<b>74</b>		
Capital and reserves and fund for future appropriations	<b>75</b>		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)	<b>76</b>		

**Analysis of derivative contracts**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Total long term insurance business assets**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		<b>R17</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2006</b>	<b>£000</b>	<b>10</b>
		As at the end of this financial year				As at the end of the previous year			
		Assets		Liabilities		Assets		Liabilities	
		<b>1</b>		<b>2</b>		<b>3</b>		<b>4</b>	
<b>Derivative contracts</b>									
Futures contracts	Fixed-interest securities	<b>11</b>							
	Equity shares	<b>12</b>	4			3145			
	Land	<b>13</b>							
	Currencies	<b>14</b>							
	Other	<b>15</b>	127		19	156			
Options	Fixed-interest securities	<b>21</b>							
	Equity shares	<b>22</b>	306			278			
	Land	<b>23</b>							
	Currencies	<b>24</b>							
	Other	<b>25</b>	359662			389248			
Contracts for differences	Fixed-interest securities	<b>31</b>							
	Equity shares	<b>32</b>							
	Land	<b>33</b>							
	Currencies	<b>34</b>							
	Other	<b>35</b>	27236		8542	27291			
Adjustment for variation margin		<b>41</b>	(174865)		(4680)	(188117)			
Total (11 to 41)		<b>49</b>	212470		3881	232001			

**Analysis of derivative contracts**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Royal London Other Long Term Funds**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		<b>R17</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2006</b>	<b>£000</b>	<b>11</b>
		As at the end of this financial year				As at the end of the previous year			
		Assets		Liabilities		Assets		Liabilities	
		<b>1</b>		<b>2</b>		<b>3</b>		<b>4</b>	
<b>Derivative contracts</b>									
Futures contracts	Fixed-interest securities	<b>11</b>							
	Equity shares	<b>12</b>	4			3145			
	Land	<b>13</b>							
	Currencies	<b>14</b>							
	Other	<b>15</b>	127		19	156			
Options	Fixed-interest securities	<b>21</b>							
	Equity shares	<b>22</b>	215			186			
	Land	<b>23</b>							
	Currencies	<b>24</b>							
	Other	<b>25</b>	67839			77819			
Contracts for differences	Fixed-interest securities	<b>31</b>							
	Equity shares	<b>32</b>							
	Land	<b>33</b>							
	Currencies	<b>34</b>							
	Other	<b>35</b>	13		4849	76			
Adjustment for variation margin		<b>41</b>	(30866)		(2773)	(40263)			
Total (11 to 41)		<b>49</b>	37332		2095	41119			

**Analysis of derivative contracts**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Scottish Life Fund**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets	
		<b>R17</b>	<b>99064</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2006</b>	<b>£000</b>	<b>12</b>
		As at the end of this financial year				As at the end of the previous year			
		Assets		Liabilities		Assets		Liabilities	
		1		2		3		4	
<b>Derivative contracts</b>									
Futures contracts	Fixed-interest securities	11							
	Equity shares	12							
	Land	13							
	Currencies	14							
	Other	15							
Options	Fixed-interest securities	21							
	Equity shares	22	91				92		
	Land	23							
	Currencies	24							
	Other	25	291823				311429		
Contracts for differences	Fixed-interest securities	31							
	Equity shares	32							
	Land	33							
	Currencies	34							
	Other	35	27223		3693		27215		
Adjustment for variation margin		41	(143999)		(1907)		(147854)		
Total (11 to 41)		49	175138		1786		190882		

**With-profits insurance capital component for the fund**Name of insurer **Royal London Mutual Insurance Society Limited**With-profits fund **10 Total long term insurance business assets**Financial year ended **31 December 2006**Units **£000**

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

**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	23395312	22899854
	Implicit items allocated to the fund	<b>12</b>		100000
	Mathematical reserves in respect of non-profit insurance contracts written in the fund	<b>13</b>	8481444	8154987
	Long-term admissible assets of the fund covering the long-term insurance capital requirement allocated in respect of non-profit insurance contracts written in the fund	<b>14</b>	104984	124722
	Long-term admissible assets of the fund covering the resilience capital requirement allocated in respect of non-profit insurance contracts written in the fund	<b>15</b>		28911
	Total (11+12-(13+14+15))	<b>19</b>	14808884	14691234
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	10464116	11103120
	Regulatory current liabilities of the fund	<b>22</b>	933601	949148
	Total (21+22)	<b>29</b>	11397717	12052268
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	425817	452116
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		505189
Sum of regulatory value of liabilities, long-term insurance capital requirement and resilience capital requirement (29+31+32)		<b>39</b>	11823534	13009573
Regulatory excess capital (19-39)		<b>49</b>	2985350	1681661

**Realistic excess capital**

Realistic excess capital	<b>51</b>	1418116	1186523
--------------------------	-----------	---------	---------

**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	1567235	
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>	395972	520521
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>	377523	517600
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63 and zero, else greater of 61 and zero)	<b>66</b>	1585684	687755

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **11 Royal London Other Long Term Funds**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	19072275	18064461
	Implicit items allocated to the fund	<b>12</b>		100000
	Mathematical reserves in respect of non-profit insurance contracts written in the fund	<b>13</b>	7952933	7684045
	Long-term admissible assets of the fund covering the long-term insurance capital requirement allocated in respect of non-profit insurance contracts written in the fund	<b>14</b>	81276	102527
	Long-term admissible assets of the fund covering the resilience capital requirement allocated in respect of non-profit insurance contracts written in the fund	<b>15</b>		46180
	Total (11+12-(13+14+15))	<b>19</b>	11038066	10331709
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	6972183	7183812
	Regulatory current liabilities of the fund	<b>22</b>	836767	734676
	Total (21+22)	<b>29</b>	7808950	7918488
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	285407	294544
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		382699
Sum of regulatory value of liabilities, long-term insurance capital requirement and resilience capital requirement (29+31+32)		<b>39</b>	8094357	8595731
Regulatory excess capital (19-39)		<b>49</b>	2943709	1735978

**Realistic excess capital**

Realistic excess capital	<b>51</b>	1418116	1186523
--------------------------	-----------	---------	---------

**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	1525594	
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>	395972	395521
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>	377523	392600
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	1544043	687755

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	15625897	12096408
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	7900486	6771488
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	78974	71219
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		33583
	Total (11+12-(13+14+15))	<b>19</b>	7646437	5220118
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	4733385	3418550
	Regulatory current liabilities of the fund	<b>22</b>	731686	491782
	Total (21+22)	<b>29</b>	5465071	3910332
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	193114	139953
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		288498
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	5658185	4338783
Regulatory excess capital (19-39)		<b>49</b>	1988252	881335

**Realistic excess capital**

Realistic excess capital	<b>51</b>	1418116	782844
--------------------------	-----------	---------	--------

**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	570137	98491
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>	395972	257089
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>	377523	255190
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	588586	100390

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **22 Refuge Assurance OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>		2763264
	Implicit items allocated to the fund	<b>12</b>		100000
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>		857594
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>		28870
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		8256
	Total (11+12-(13+14+15))	<b>19</b>		1968544
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>		1477288
	Regulatory current liabilities of the fund	<b>22</b>		161822
	Total (21+22)	<b>29</b>		1639110
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts	<b>31</b>		60151	
Resilience capital requirement in respect of the fund's with-profits insurance contracts	<b>32</b>		2005	
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)	<b>39</b>		1701266	
Regulatory excess capital (19-39)	<b>49</b>		267278	

**Realistic excess capital**

Realistic excess capital	<b>51</b>		403679
--------------------------	-----------	--	--------

**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>		(136401)
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		138432
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		137410
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>		

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **23 Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	535995	550890
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	52447	54963
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	2302	2438
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		4341
	Total (11+12-(13+14+15))	<b>19</b>	481246	489148
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	299604	350044
	Regulatory current liabilities of the fund	<b>22</b>	25595	22287
	Total (21+22)	<b>29</b>	325199	372331
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	12407	14505
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		27106
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	337606	413942
Regulatory excess capital (19-39)		<b>49</b>	143640	75206

**Realistic excess capital**

Realistic excess capital	<b>51</b>		
--------------------------	-----------	--	--

**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	143640	75206
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	143640	75206

**With-profits insurance capital component for the fund**Name of insurer **Royal London Mutual Insurance Society Limited**With-profits fund **24 United Friendly OB Subfund**Financial year ended **31 December 2006**Units **£000**

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

**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	1716062	1519129
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>		
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>		
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	1716062	1519129
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	1313047	1264120
	Regulatory current liabilities of the fund	<b>22</b>	32064	24021
	Total (21+22)	<b>29</b>	1345111	1288141
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	53669	51739
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		29426
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	1398780	1369306
Regulatory excess capital (19-39)		<b>49</b>	317282	149823

**Realistic excess capital**

Realistic excess capital	<b>51</b>		
--------------------------	-----------	--	--

**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	317282	149823
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	317282	149823

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **25 United Friendly IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	1194321	1134770
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>		
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>		
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		
	Total (11+12-(13+14+15))	<b>19</b>	1194321	1134770
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	626147	673810
	Regulatory current liabilities of the fund	<b>22</b>	47422	34764
	Total (21+22)	<b>29</b>	673569	708574
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	26217	28196
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		35664
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	699786	772434
Regulatory excess capital (19-39)		<b>49</b>	494535	362336

**Realistic excess capital**

Realistic excess capital	<b>51</b>		
--------------------------	-----------	--	--

**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	494535	362336
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	494535	362336

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **26 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Regulatory excess capital**

Regulatory value of assets	Long-term admissible assets of the fund	<b>11</b>	4323037	4835393
	Implicit items allocated to the fund	<b>12</b>		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	<b>13</b>	528511	470942
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	<b>14</b>	23708	22195
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	<b>15</b>		(17269)
	Total (11+12-(13+14+15))	<b>19</b>	3770818	4359525
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	<b>21</b>	3491933	3919308
	Regulatory current liabilities of the fund	<b>22</b>	96834	214472
	Total (21+22)	<b>29</b>	3588767	4133780
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		<b>31</b>	140410	157572
Resilience capital requirement in respect of the fund's with-profits insurance contracts		<b>32</b>		122490
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		<b>39</b>	3729177	4413842
Regulatory excess capital (19-39)		<b>49</b>	41641	(54317)

**Realistic excess capital**

Realistic excess capital	<b>51</b>		
--------------------------	-----------	--	--

**Excess assets allocated to with-profits insurance business**

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	<b>61</b>	41641	(54317)
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	<b>62</b>		125000
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	<b>63</b>		125000
Present value of future shareholder transfers arising from distribution of surplus	<b>64</b>		
Present value of other future internal transfers not already taken into account	<b>65</b>		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	<b>66</b>	41641	

**Realistic balance sheet**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **10 Total long term insurance business assets**  
 Financial year ended **31 December 2006**  
 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	14808884	14691234
Implicit items allocated to the fund	12		100000
Value of shares in subsidiaries held in fund (regulatory)	13	5196	7202
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	993119	976605
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	39142	43927
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	15835949	15604564
Support arrangement assets	27		
Assets available to the fund (26+27)	29	15835949	15604564

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	11307376	11263185	
Future policy related liabilities	Part miscellaneous surplus attributed to with-profits benefits reserve	32		
	Part miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	471024	466855
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	144761	132129
	Future costs of contractual guarantees (other than financial options)	41	504432	667957
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	581024	554750
	Future costs of smoothing (possibly negative)	44	248750	250990
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	132460	155399
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	1792929	1963822	
Realistic current liabilities of the fund	51	927002	961499	
Realistic value of liabilities of fund (31+49+51)	59	14027307	14188506	

**Realistic balance sheet**Name of insurer **Royal London Mutual Insurance Society Limited**With-profits fund **10 Total long term insurance business assets**Financial year ends **31 December 2006**Units **£000**

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

**Realistic excess capital and additional capital available**

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	<b>62</b>	14417834	14418041
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	14417834	14418041
Risk capital margin for fund (62-59)	<b>65</b>	390527	229535
Realistic excess capital for fund (26-(59+65))	<b>66</b>	1418116	1186523
Realistic excess available capital for fund (29-(59+65))	<b>67</b>	1418116	1186523
Working capital for fund (29-59)	<b>68</b>	1808643	1416058
Working capital ratio for fund (68/29)	<b>69</b>	11.42%	9.07%

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

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

**Realistic balance sheet**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **11 Royal London Other Long Term Funds**  
 Financial year ended **31 December 2006**  
 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	11038066	10331709
Implicit items allocated to the fund	12		100000
Value of shares in subsidiaries held in fund (regulatory)	13	5196	7202
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	884188	902977
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	39142	43927
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	11956200	11171411
Support arrangement assets	27		
Assets available to the fund (26+27)	29	11956200	11171411

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	7940345	7553001	
Future policy related liabilities	Part miscellaneous surplus attributed to with-profits benefits reserve	32		
	Part miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	426423	380378
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	67307	44629
	Future costs of contractual guarantees (other than financial options)	41	466481	597003
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	181030	175760
	Future costs of smoothing (possibly negative)	44	248069	225090
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	122349	121723
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	1377045	1455325	
Realistic current liabilities of the fund	51	830168	747027	
Realistic value of liabilities of fund (31+49+51)	59	10147558	9755353	

**Realistic balance sheet**Name of insurer **Royal London Mutual Insurance Society Limited**With-profits fund **11 Royal London Other Long Term Funds**Financial year ends **31 December 2006**Units **£000**

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

**Realistic excess capital and additional capital available**

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	<b>62</b>	10538085	9984888
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	10538085	9984888
Risk capital margin for fund (62-59)	<b>65</b>	390527	229535
Realistic excess capital for fund (26-(59+65))	<b>66</b>	1418116	1186523
Realistic excess available capital for fund (29-(59+65))	<b>67</b>	1418116	1186523
Working capital for fund (29-59)	<b>68</b>	1808643	1416058
Working capital ratio for fund (68/29)	<b>69</b>	15.13%	12.68%

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

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

**Realistic balance sheet**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 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	7646437	5220118
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13	5196	4681
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	879724	607780
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		(52469)
Value of shares in subsidiaries held in fund (realistic)	24	39142	23869
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26	8560107	5794617
Support arrangement assets	27		
Assets available to the fund (26+27)	29	8560107	5794617

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	5186747	3835657	
Future policy related liabilities	Part miscellaneous surplus attributed to with-profits benefits reserve	32		
	Part miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	76287	
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	67307	27753
	Future costs of contractual guarantees (other than financial options)	41	264610	193704
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	181030	14162
	Future costs of smoothing (possibly negative)	44	264130	171100
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	120881	109055
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	839631	460268	
Realistic current liabilities of the fund	51	725087	499810	
Realistic value of liabilities of fund (31+49+51)	59	6751465	4795735	

**Realistic balance sheet**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	7141992	5011773
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	7141992	5011773
Risk capital margin for fund (62-59)	<b>65</b>	390527	216038
Realistic excess capital for fund (26-(59+65))	<b>66</b>	1418116	782844
Realistic excess available capital for fund (29-(59+65))	<b>67</b>	1418116	782844
Working capital for fund (29-59)	<b>68</b>	1808643	998882
Working capital ratio for fund (68/29)	<b>69</b>	21.13%	17.24%

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

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

**Realistic balance sheet**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **22 Refuge Assurance OB Subfund**  
 Financial year ended **31 December 2006**  
 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		1968544
Implicit items allocated to the fund	12		100000
Value of shares in subsidiaries held in fund (regulatory)	13		2521
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22		286020
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		20058
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26		2172101
Support arrangement assets	27		
Assets available to the fund (26+27)	29		2172101

**Realistic value of liabilities of fund**

With-profits benefit reserve	31		1141512	
Future policy related liabilities	Part miscellaneous surplus attributed to with-profits benefits reserve	32		
	Part miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34		82061
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36		16876
	Future costs of contractual guarantees (other than financial options)	41		158347
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43		161598
	Future costs of smoothing (possibly negative)	44		51480
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47		10658
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49		447268	
Realistic current liabilities of the fund	51		166145	
Realistic value of liabilities of fund (31+49+51)	59		1754925	

**Realistic balance sheet**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **22 Refuge Assurance OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>		1768422
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>		1768422
Risk capital margin for fund (62-59)	<b>65</b>		13497
Realistic excess capital for fund (26-(59+65))	<b>66</b>		403679
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		403679
Working capital for fund (29-59)	<b>68</b>		417176
Working capital ratio for fund (68/29)	<b>69</b>		19.21%

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

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

**Realistic balance sheet**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **23 Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2006**  
 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	481246	489148
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	4464	9177
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	485710	498325
Support arrangement assets	27		
Assets available to the fund (26+27)	29	485710	498325

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	344367	370230	
Future policy related liabilities	Part miscellaneous surplus attributed to with-profits benefits reserve	32		
	Part miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	91513	69802
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36		
	Future costs of contractual guarantees (other than financial options)	41	23038	32681
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43		
	Future costs of smoothing (possibly negative)	44	1197	3325
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47		
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	115748	105808	
Realistic current liabilities of the fund	51	25595	22287	
Realistic value of liabilities of fund (31+49+51)	59	485710	498325	

**Realistic balance sheet**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **23 Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	485710	498325
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	485710	498325
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

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

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

**Realistic balance sheet**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **24 United Friendly OB Subfund**  
 Financial year ended **31 December 2006**  
 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	1716062	1519129
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		
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		52469
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	1716062	1571598
Support arrangement assets	27		
Assets available to the fund (26+27)	29	1716062	1571598

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	1554773	1391048	
Future policy related liabilities	Part miscellaneous surplus attributed to with-profits benefits reserve	32		
	Part miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	7417	
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36		
	Future costs of contractual guarantees (other than financial options)	41	142419	165862
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43		
	Future costs of smoothing (possibly negative)	44	(22079)	(11343)
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	1468	2010
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	129225	156529	
Realistic current liabilities of the fund	51	32064	24021	
Realistic value of liabilities of fund (31+49+51)	59	1716062	1571598	

**Realistic balance sheet**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **24 United Friendly OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	1716062	1571598
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	1716062	1571598
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

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

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

**Realistic balance sheet**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **25 United Friendly IB Subfund**  
 Financial year ended **31 December 2006**  
 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	1194321	1134770
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		
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	1194321	1134770
Support arrangement assets	27		
Assets available to the fund (26+27)	29	1194321	1134770

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	854458	814554	
Future policy related liabilities	Part miscellaneous surplus attributed to with-profits benefits reserve	32		
	Part miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	251206	228515
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36		
	Future costs of contractual guarantees (other than financial options)	41	36414	46409
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43		
	Future costs of smoothing (possibly negative)	44	4821	10528
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47		
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	292441	285452	
Realistic current liabilities of the fund	51	47422	34764	
Realistic value of liabilities of fund (31+49+51)	59	1194321	1134770	

**Realistic balance sheet**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **25 United Friendly IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	1194321	1134770
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	1194321	1134770
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

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

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

**Realistic balance sheet**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **26 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 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	3770818	4359525
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	108931	73628
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	3879749	4433153
Support arrangement assets	27		
Assets available to the fund (26+27)	29	3879749	4433153

**Realistic value of liabilities of fund**

With-profits benefit reserve	31	3367031	3710184	
Future policy related liabilities	Part miscellaneous surplus attributed to with-profits benefits reserve	32		
	Part miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	44601	86477
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	77454	87500
	Future costs of contractual guarantees (other than financial options)	41	37951	70954
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	399994	378990
	Future costs of smoothing (possibly negative)	44	681	25900
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	10111	33676
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	415884	508497	
Realistic current liabilities of the fund	51	96834	214472	
Realistic value of liabilities of fund (31+49+51)	59	3879749	4433153	

**Realistic balance sheet**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 With-profits fund **26 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Realistic excess capital and additional capital available**

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	<b>62</b>	3879749	4433153
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	<b>63</b>		
Value of relevant assets before applying the most adverse scenario (62+63)	<b>64</b>	3879749	4433153
Risk capital margin for fund (62-59)	<b>65</b>		
Realistic excess capital for fund (26-(59+65))	<b>66</b>		
Realistic excess available capital for fund (29-(59+65))	<b>67</b>		
Working capital for fund (29-59)	<b>68</b>		
Working capital ratio for fund (68/29)	<b>69</b>		

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

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

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **10 Summary**  
 Financial year ended **31 December 2006**  
 Units **£000**

Financial year	Previous year
1	2

**Income**

Earned premiums	11	1016578	1623990
Investment income receivable before deduction of tax	12	984728	869179
Increase (decrease) in the value of non-linked assets brought into the account	13	(276337)	370297
Increase (decrease) in the value of linked assets	14	480295	892159
Other income	15	14852	12339
<b>Total income</b>	<b>19</b>	<b>2220116</b>	<b>3767965</b>

**Expenditure**

Claims incurred	21	2169146	1931888
Expenses payable	22	316132	295192
Interest payable before the deduction of tax	23	47272	18249
Taxation	24	111	140792
Other expenditure	25		
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>2532662</b>	<b>2386120</b>

Business transfers - in	31		99674
Business transfers - out	32		99674
Increase (decrease) in fund in financial year (19-29+31-32)	39	(312546)	1381844
Fund brought forward	49	19258107	17876262
Fund carried forward (39+49)	59	18945561	19258107

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **11 Royal London Other Long Term Funds**  
 Financial year ended **31 December 2006**  
 Units **£000**

Financial year	Previous year
1	2

**Income**

Earned premiums	11	943060	1534808
Investment income receivable before deduction of tax	12	775873	648690
Increase (decrease) in the value of non-linked assets brought into the account	13	(256395)	76108
Increase (decrease) in the value of linked assets	14	460314	863472
Other income	15	168814	75798
<b>Total income</b>	<b>19</b>	<b>2091666</b>	<b>3198877</b>

**Expenditure**

Claims incurred	21	1703922	1529670
Expenses payable	22	294480	277767
Interest payable before the deduction of tax	23	35629	5556
Taxation	24	374	127490
Other expenditure	25		
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>2034405</b>	<b>1940482</b>

Business transfers - in	31		99527
Business transfers - out	32		147
Increase (decrease) in fund in financial year (19-29+31-32)	39	57260	1357774
Fund brought forward	49	14867857	13510082
Fund carried forward (39+49)	59	14925117	14867857

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

Financial year	Previous year
1	2

**Income**

Earned premiums	11	772403	1155977
Investment income receivable before deduction of tax	12	503379	431261
Increase (decrease) in the value of non-linked assets brought into the account	13	(113262)	(95965)
Increase (decrease) in the value of linked assets	14	433525	784457
Other income	15	153052	62848
<b>Total income</b>	<b>19</b>	<b>1749097</b>	<b>2338578</b>

**Expenditure**

Claims incurred	21	1234635	1037588
Expenses payable	22	159646	156092
Interest payable before the deduction of tax	23	21632	2552
Taxation	24	(1569)	48679
Other expenditure	25		
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>1414344</b>	<b>1244910</b>

Business transfers - in	31	2109080	99411
Business transfers - out	32	0	147
Increase (decrease) in fund in financial year (19-29+31-32)	39	2443833	1192932
Fund brought forward	49	10190038	8997106
Fund carried forward (39+49)	59	12633871	10190038

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **22 Refuge Assurance OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

Financial year	Previous year
1	2

**Income**

Earned premiums	11	27366	245791
Investment income receivable before deduction of tax	12	116994	98807
Increase (decrease) in the value of non-linked assets brought into the account	13	(46867)	95114
Increase (decrease) in the value of linked assets	14	26789	79015
Other income	15	18292	15480
<b>Total income</b>	<b>19</b>	<b>142574</b>	<b>534207</b>

**Expenditure**

Claims incurred	21	260983	283960
Expenses payable	22	95557	82050
Interest payable before the deduction of tax	23	10894	1570
Taxation	24	942	16755
Other expenditure	25		
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>368376</b>	<b>384335</b>

Business transfers - in	31	0	116
Business transfers - out	32	2109080	
Increase (decrease) in fund in financial year (19-29+31-32)	39	(2334882)	149987
Fund brought forward	49	2334882	2184894
Fund carried forward (39+49)	59	(0)	2334882

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **23 Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

Financial year	Previous year
1	2

**Income**

Earned premiums	11	24346	29824
Investment income receivable before deduction of tax	12	23576	24068
Increase (decrease) in the value of non-linked assets brought into the account	13	(9274)	18030
Increase (decrease) in the value of linked assets	14		
Other income	15	(482)	(625)
<b>Total income</b>	<b>19</b>	<b>38164</b>	<b>71297</b>

**Expenditure**

Claims incurred	21	76651	79765
Expenses payable	22	13823	14890
Interest payable before the deduction of tax	23	460	232
Taxation	24	185	15062
Other expenditure	25		
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>91119</b>	<b>109949</b>

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(52955)	(38652)
Fund brought forward	49	405007	443659
Fund carried forward (39+49)	59	352052	405007

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **24 United Friendly OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

Financial year	Previous year
1	2

**Income**

Earned premiums	11	88808	69313
Investment income receivable before deduction of tax	12	76568	53290
Increase (decrease) in the value of non-linked assets brought into the account	13	(49486)	16536
Increase (decrease) in the value of linked assets	14		
Other income	15	(1029)	(1085)
<b>Total income</b>	<b>19</b>	<b>114861</b>	<b>138055</b>

**Expenditure**

Claims incurred	21	55714	53531
Expenses payable	22	8317	7160
Interest payable before the deduction of tax	23	1534	678
Taxation	24	369	12374
Other expenditure	25		
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>65934</b>	<b>73743</b>

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	48926	64312
Fund brought forward	49	1264120	1199808
Fund carried forward (39+49)	59	1313047	1264120

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **25 United Friendly IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

Financial year	Previous year
1	2

**Income**

Earned premiums	11	30138	33902
Investment income receivable before deduction of tax	12	55356	41264
Increase (decrease) in the value of non-linked assets brought into the account	13	(37506)	42394
Increase (decrease) in the value of linked assets	14		
Other income	15	(1019)	(821)
<b>Total income</b>	<b>19</b>	<b>46969</b>	<b>116739</b>

**Expenditure**

Claims incurred	21	75940	74825
Expenses payable	22	17136	17575
Interest payable before the deduction of tax	23	1109	525
Taxation	24	447	34619
Other expenditure	25		
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>94632</b>	<b>127544</b>

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(47663)	(10805)
Fund brought forward	49	673810	684615
Fund carried forward (39+49)	59	626147	673810

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **26 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 Units **£000**

Financial year	Previous year
1	2

**Income**

Earned premiums	11	73518	89182
Investment income receivable before deduction of tax	12	208855	220489
Increase (decrease) in the value of non-linked assets brought into the account	13	(19942)	294189
Increase (decrease) in the value of linked assets	14	19981	28687
Other income	15	(153961)	(63459)
<b>Total income</b>	<b>19</b>	<b>128450</b>	<b>569088</b>

**Expenditure**

Claims incurred	21	465224	402218
Expenses payable	22	21653	17425
Interest payable before the deduction of tax	23	11643	12692
Taxation	24	(263)	13302
Other expenditure	25		
Transfer to (from) non technical account	26		
<b>Total expenditure</b>	<b>29</b>	<b>498256</b>	<b>445638</b>

Business transfers - in	31	0	147
Business transfers - out	32	0	99527
Increase (decrease) in fund in financial year (19-29+31-32)	39	(369806)	24070
Fund brought forward	49	4390250	4366180
Fund carried forward (39+49)	59	4020444	4390250

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **10 Summary**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Regular premiums	11	337530	424607	1242	763379	748316
Single premiums	12	26453	1173223	61328	1261005	1027185

**Reinsurance - external**

Regular premiums	13	16737	35	126	16898	6873
Single premiums	14		990907		990907	144638

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	320793	424571	1116	746480	741444
Single premiums	18	26453	182316	61328	270097	882547

**Total**

Gross	19	363984	1597830	62570	2024383	1775501
Reinsurance	20	16737	990943	126	1007806	151511
Net	21	347246	606887	62444	1016578	1623990

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **11 Royal London Other Long Term Funds**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Regular premiums	11	300468	393820	1242	695530	665981
Single premiums	12	26453	1167591	61328	1255372	1019982

**Reinsurance - external**

Regular premiums	13	16651	158	126	16934	6517
Single premiums	14		990907		990907	144638

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	283817	393663	1116	678595	659465
Single premiums	18	26453	176683	61328	264465	875343

**Total**

Gross	19	326921	1561411	62570	1950902	1685963
Reinsurance	20	16651	991065	126	1007842	151155
Net	21	310270	570346	62444	943060	1534808

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Regular premiums	11	126311	362177		488488	451512
Single premiums	12	210	945178	31909	977297	778834

**Reinsurance - external**

Regular premiums	13	2209	158		2367	2736
Single premiums	14		691016		691016	71632

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	124102	362019		486122	448775
Single premiums	18	210	254163	31909	286281	707202

**Total**

Gross	19	126521	1307355	31909	1465785	1230346
Reinsurance	20	2209	691173		693382	74368
Net	21	124312	616182	31909	772403	1155977

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **22 Refuge Assurance OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Regular premiums	11	106903	27112	1242	135257	129257
Single premiums	12	26243	150906	29420	206569	193321

**Reinsurance - external**

Regular premiums	13	14442		126	14568	3780
Single premiums	14		299892		299892	73006

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	92461	27112	1116	120689	125477
Single premiums	18	26243	(148986)	29420	(93323)	120314

**Total**

Gross	19	133147	178018	30661	341825	322578
Reinsurance	20	14442	299892	126	314460	76787
Net	21	118705	(121874)	30535	27366	245791

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **23 Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Regular premiums	11	24346			24346	29824
Single premiums	12					

**Reinsurance - external**

Regular premiums	13					
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	24346			24346	29824
Single premiums	18					

**Total**

Gross	19	24346			24346	29824
Reinsurance	20					
Net	21	24346			24346	29824

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **24 United Friendly OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Regular premiums	11	12770	4531		17301	21487
Single premiums	12		71506		71506	47827

**Reinsurance - external**

Regular premiums	13					
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	12770	4531		17301	21487
Single premiums	18		71506		71506	47827

**Total**

Gross	19	12770	76038		88808	69313
Reinsurance	20					
Net	21	12770	76038		88808	69313

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **25 United Friendly IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Regular premiums	11	30138			30138	33902
Single premiums	12					

**Reinsurance - external**

Regular premiums	13					
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	30138			30138	33902
Single premiums	18					

**Total**

Gross	19	30138			30138	33902
Reinsurance	20					
Net	21	30138			30138	33902

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **26 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Regular premiums	11	37063	30786		67849	82335
Single premiums	12		5632		5632	7203

**Reinsurance - external**

Regular premiums	13	86	(122)		(36)	356
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					

**Net of reinsurance**

Regular premiums	17	36977	30909		67885	81979
Single premiums	18		5632		5632	7203

**Total**

Gross	19	37063	36419		73482	89538
Reinsurance	20	86	(122)		(36)	356
Net	21	36977	36541		73518	89182

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **10 Summary**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Death or disability lump sums	11	116932	28880	616	146428	147411
Disability periodic payments	12	4220			4220	5294
Surrender or partial surrender	13	221555	1165902	1860	1389317	1110007
Annuity payments	14	893	130625		131518	139122
Lump sums on maturity	15	531936	99173		631109	614635
<b>Total</b>	<b>16</b>	<b>875535</b>	<b>1424581</b>	<b>2476</b>	<b>2302592</b>	<b>2016469</b>

**Reinsurance - external**

Death or disability lump sums	21	10806		323	11129	5586
Disability periodic payments	22	629			629	920
Surrender or partial surrender	23	718	1526		2243	2227
Annuity payments	24	48	119390		119438	75847
Lump sums on maturity	25	7			7	
<b>Total</b>	<b>26</b>	<b>12208</b>	<b>120915</b>	<b>323</b>	<b>133446</b>	<b>84581</b>

**Reinsurance - intra-group**

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

**Net of reinsurance**

Death or disability lump sums	41	106126	28880	293	135299	141824
Disability periodic payments	42	3590			3590	4374
Surrender or partial surrender	43	220837	1164377	1860	1387074	1107780
Annuity payments	44	845	11236		12080	63274
Lump sums on maturity	45	531929	99173		631102	614635
<b>Total</b>	<b>46</b>	<b>863327</b>	<b>1303666</b>	<b>2153</b>	<b>2169146</b>	<b>1931888</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **11 Royal London Other Long Term Funds**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Death or disability lump sums	11	109461	22194	616	132270	131902
Disability periodic payments	12	1111			1111	1971
Surrender or partial surrender	13	199180	837940	1860	1038981	805164
Annuity payments	14	893	130625		131518	139122
Lump sums on maturity	15	456795	76676		533471	535931
<b>Total</b>	<b>16</b>	<b>767440</b>	<b>1067435</b>	<b>2476</b>	<b>1837351</b>	<b>1614089</b>

**Reinsurance - external**

Death or disability lump sums	21	10806		323	11129	5540
Disability periodic payments	22	629			629	920
Surrender or partial surrender	23	707	1526		2233	2112
Annuity payments	24	48	119390		119438	75847
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>12191</b>	<b>120915</b>	<b>323</b>	<b>133429</b>	<b>84420</b>

**Reinsurance - intra-group**

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

**Net of reinsurance**

Death or disability lump sums	41	98655	22194	293	121141	126361
Disability periodic payments	42	482			482	1051
Surrender or partial surrender	43	198473	836415	1860	1036748	803052
Annuity payments	44	845	11236		12080	63274
Lump sums on maturity	45	456795	76676		533471	535931
<b>Total</b>	<b>46</b>	<b>755249</b>	<b>946520</b>	<b>2153</b>	<b>1703922</b>	<b>1529670</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Death or disability lump sums	11	30583	19696		50279	51108
Disability periodic payments	12	672			672	859
Surrender or partial surrender	13	83136	803093	1209	887438	654416
Annuity payments	14		36172		36172	38556
Lump sums on maturity	15	234591	61425		296016	295281
<b>Total</b>	<b>16</b>	<b>348982</b>	<b>920387</b>	<b>1209</b>	<b>1270578</b>	<b>1040220</b>

**Reinsurance - external**

Death or disability lump sums	21	1538			1538	405
Disability periodic payments	22	118			118	115
Surrender or partial surrender	23	707	1526		2233	2112
Annuity payments	24		32054		32054	
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>2363</b>	<b>33580</b>		<b>35943</b>	<b>2632</b>

**Reinsurance - intra-group**

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

**Net of reinsurance**

Death or disability lump sums	41	29045	19696		48741	50703
Disability periodic payments	42	554			554	744
Surrender or partial surrender	43	82429	801567	1209	885205	652304
Annuity payments	44		4118		4118	38556
Lump sums on maturity	45	234591	61425		296016	295281
<b>Total</b>	<b>46</b>	<b>346619</b>	<b>886807</b>	<b>1209</b>	<b>1234635</b>	<b>1037588</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **22 Refuge Assurance OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Death or disability lump sums	11	29628	1053	616	31297	24590
Disability periodic payments	12	502			502	1112
Surrender or partial surrender	13	95577	26504	651	122731	120141
Annuity payments	14	893	94453		95346	100566
Lump sums on maturity	15	95896	12323		108219	118893
<b>Total</b>	<b>16</b>	<b>222495</b>	<b>134333</b>	<b>1267</b>	<b>358095</b>	<b>365302</b>

**Reinsurance - external**

Death or disability lump sums	21	8894		323	9217	4689
Disability periodic payments	22	511			511	805
Surrender or partial surrender	23					
Annuity payments	24	48	87336		87384	75847
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>9454</b>	<b>87336</b>	<b>323</b>	<b>97112</b>	<b>81341</b>

**Reinsurance - intra-group**

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

**Net of reinsurance**

Death or disability lump sums	41	20734	1053	293	22080	19901
Disability periodic payments	42	(9)			(9)	307
Surrender or partial surrender	43	95577	26504	651	122731	120141
Annuity payments	44	845	7117		7962	24718
Lump sums on maturity	45	95896	12323		108219	118893
<b>Total</b>	<b>46</b>	<b>213041</b>	<b>46997</b>	<b>944</b>	<b>260983</b>	<b>283960</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **23 Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Death or disability lump sums	11	13598			13598	15103
Disability periodic payments	12					
Surrender or partial surrender	13	4354			4354	5900
Annuity payments	14					
Lump sums on maturity	15	58699			58699	58761
<b>Total</b>	<b>16</b>	<b>76651</b>			<b>76651</b>	<b>79765</b>

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Death or disability lump sums	41	13598			13598	15103
Disability periodic payments	42					
Surrender or partial surrender	43	4354			4354	5900
Annuity payments	44					
Lump sums on maturity	45	58699			58699	58761
<b>Total</b>	<b>46</b>	<b>76651</b>			<b>76651</b>	<b>79765</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **24 United Friendly OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Death or disability lump sums	11	2766	1445		4211	7479
Disability periodic payments	12	(62)			(62)	
Surrender or partial surrender	13	5568	8344		13911	12485
Annuity payments	14					
Lump sums on maturity	15	35101	2928		38028	34013
<b>Total</b>	<b>16</b>	<b>43372</b>	<b>12716</b>		<b>56088</b>	<b>53977</b>

**Reinsurance - external**

Death or disability lump sums	21	374			374	446
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>374</b>			<b>374</b>	<b>446</b>

**Reinsurance - intra-group**

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

**Net of reinsurance**

Death or disability lump sums	41	2392	1445		3837	7033
Disability periodic payments	42	(62)			(62)	
Surrender or partial surrender	43	5568	8344		13911	12485
Annuity payments	44					
Lump sums on maturity	45	35101	2928		38028	34013
<b>Total</b>	<b>46</b>	<b>42998</b>	<b>12716</b>		<b>55714</b>	<b>53531</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **25 United Friendly IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Death or disability lump sums	11	32885		32885	33622
Disability periodic payments	12				
Surrender or partial surrender	13	10546		10546	12222
Annuity payments	14				
Lump sums on maturity	15	32508		32508	28982
<b>Total</b>	<b>16</b>	<b>75940</b>		<b>75940</b>	<b>74825</b>

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Death or disability lump sums	41	32885		32885	33622
Disability periodic payments	42				
Surrender or partial surrender	43	10546		10546	12222
Annuity payments	44				
Lump sums on maturity	45	32508		32508	28982
<b>Total</b>	<b>46</b>	<b>75940</b>		<b>75940</b>	<b>74825</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **26 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Death or disability lump sums	11	7471	6686		14158	15509
Disability periodic payments	12	3108			3108	3323
Surrender or partial surrender	13	22374	327962		350336	304843
Annuity payments	14					
Lump sums on maturity	15	75141	22497		97638	78704
<b>Total</b>	<b>16</b>	<b>108095</b>	<b>357146</b>		<b>465241</b>	<b>402379</b>

**Reinsurance - external**

Death or disability lump sums	21					46
Disability periodic payments	22					
Surrender or partial surrender	23	10			10	115
Annuity payments	24					
Lump sums on maturity	25	7			7	
<b>Total</b>	<b>26</b>	<b>17</b>			<b>17</b>	<b>161</b>

**Reinsurance - intra-group**

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

**Net of reinsurance**

Death or disability lump sums	41	7471	6686		14158	15463
Disability periodic payments	42	3108			3108	3323
Surrender or partial surrender	43	22364	327962		350326	304728
Annuity payments	44					
Lump sums on maturity	45	75134	22497		97632	78704
<b>Total</b>	<b>46</b>	<b>108078</b>	<b>357146</b>		<b>465224</b>	<b>402218</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **10 Summary**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Commission - acquisition	11	39202	47050	5459	91711	85353
Commission - other	12	3206	6899		10105	9053
Management - acquisition	13	26930	31264	434	58629	66733
Management - maintenance	14	63611	42486	1267	107364	114059
Management - other	15	29841	18483		48324	19994
<b>Total</b>	<b>16</b>	<b>162791</b>	<b>146180</b>	<b>7161</b>	<b>316132</b>	<b>295192</b>

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Commission - acquisition	41	39202	47050	5459	91711	85353
Commission - other	42	3206	6899		10105	9053
Management - acquisition	43	26930	31264	434	58629	66733
Management - maintenance	44	63611	42486	1267	107364	114059
Management - other	45	29841	18483		48324	19994
<b>Total</b>	<b>46</b>	<b>162791</b>	<b>146180</b>	<b>7161</b>	<b>316132</b>	<b>295192</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **11 Royal London Other Long Term Funds**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Commission - acquisition	11	39172	46953	5459	91584	85264
Commission - other	12	2511	6672		9183	7790
Management - acquisition	13	26930	31253	434	58618	66721
Management - maintenance	14	60241	35662	1267	97170	98968
Management - other	15	19442	18483		37924	19025
<b>Total</b>	<b>16</b>	<b>148297</b>	<b>139022</b>	<b>7161</b>	<b>294480</b>	<b>277767</b>

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Commission - acquisition	41	39172	46953	5459	91584	85264
Commission - other	42	2511	6672		9183	7790
Management - acquisition	43	26930	31253	434	58618	66721
Management - maintenance	44	60241	35662	1267	97170	98968
Management - other	45	19442	18483		37924	19025
<b>Total</b>	<b>46</b>	<b>148297</b>	<b>139022</b>	<b>7161</b>	<b>294480</b>	<b>277767</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Commission - acquisition	11		46474		46474	47341
Commission - other	12	5	6645		6650	6925
Management - acquisition	13	6772	31079		37850	44201
Management - maintenance	14	19357	24580	85	44021	45804
Management - other	15	10671	13980		24651	11821
<b>Total</b>	<b>16</b>	<b>36804</b>	<b>122758</b>	<b>85</b>	<b>159646</b>	<b>156092</b>

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Commission - acquisition	41		46474		46474	47341
Commission - other	42	5	6645		6650	6925
Management - acquisition	43	6772	31079		37850	44201
Management - maintenance	44	19357	24580	85	44021	45804
Management - other	45	10671	13980		24651	11821
<b>Total</b>	<b>46</b>	<b>36804</b>	<b>122758</b>	<b>85</b>	<b>159646</b>	<b>156092</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **22 Refuge Assurance OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Commission - acquisition	11	39172	478	5459	45110	37922
Commission - other	12	2506	27		2533	823
Management - acquisition	13	20159	174	434	20768	22520
Management - maintenance	14	5738	6953	1182	13873	16155
Management - other	15	8771	4503		13274	4630
<b>Total</b>	<b>16</b>	<b>76346</b>	<b>12135</b>	<b>7076</b>	<b>95557</b>	<b>82050</b>

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Commission - acquisition	41	39172	478	5459	45110	37922
Commission - other	42	2506	27		2533	823
Management - acquisition	43	20159	174	434	20768	22520
Management - maintenance	44	5738	6953	1182	13873	16155
Management - other	45	8771	4503		13274	4630
<b>Total</b>	<b>46</b>	<b>76346</b>	<b>12135</b>	<b>7076</b>	<b>95557</b>	<b>82050</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **23 Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Commission - acquisition	11				
Commission - other	12				
Management - acquisition	13				
Management - maintenance	14	13823		13823	13856
Management - other	15				1034
<b>Total</b>	<b>16</b>	13823		13823	14890

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Commission - acquisition	41				
Commission - other	42				
Management - acquisition	43				
Management - maintenance	44	13823		13823	13856
Management - other	45				1034
<b>Total</b>	<b>46</b>	13823		13823	14890

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **24 United Friendly OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Commission - acquisition	11				
Commission - other	12				42
Management - acquisition	13				
Management - maintenance	14	4187	4130	8317	6741
Management - other	15				377
<b>Total</b>	<b>16</b>	<b>4187</b>	<b>4130</b>	<b>8317</b>	<b>7160</b>

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Commission - acquisition	41				
Commission - other	42				42
Management - acquisition	43				
Management - maintenance	44	4187	4130	8317	6741
Management - other	45				377
<b>Total</b>	<b>46</b>	<b>4187</b>	<b>4130</b>	<b>8317</b>	<b>7160</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **25 United Friendly IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Commission - acquisition	11				
Commission - other	12				
Management - acquisition	13				
Management - maintenance	14	17136		17136	16412
Management - other	15				1163
<b>Total</b>	<b>16</b>	<b>17136</b>		<b>17136</b>	<b>17575</b>

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Commission - acquisition	41				
Commission - other	42				
Management - acquisition	43				
Management - maintenance	44	17136		17136	16412
Management - other	45				1163
<b>Total</b>	<b>46</b>	<b>17136</b>		<b>17136</b>	<b>17575</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **26 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Gross**

Commission - acquisition	11	30	97	127	89
Commission - other	12	695	227	922	1264
Management - acquisition	13		11	11	12
Management - maintenance	14	3370	6824	10193	15091
Management - other	15	10400		10400	969
<b>Total</b>	<b>16</b>	<b>14494</b>	<b>7158</b>	<b>21653</b>	<b>17425</b>

**Reinsurance - external**

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

**Reinsurance - intra-group**

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

**Net of reinsurance**

Commission - acquisition	41	30	97	127	89
Commission - other	42	695	227	922	1264
Management - acquisition	43		11	11	12
Management - maintenance	44	3370	6824	10193	15091
Management - other	45	10400		10400	969
<b>Total</b>	<b>46</b>	<b>14494</b>	<b>7158</b>	<b>21653</b>	<b>17425</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business  
 Financial year ended **31 December 2006**  
 Units **£000**

Financial year	Previous year
1	2

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

Directly held assets (excluding collective investment schemes)	11	2525747	2258326
Directly held assets in collective investment schemes of connected companies	12	4916088	4310653
Directly held assets in other collective investment schemes	13	538990	301249
<b>Total assets (excluding cross investment) (11+12+ 13)</b>	<b>14</b>	<b>7980825</b>	<b>6870228</b>
Provision for tax on unrealised capital gains	15	8985	16317
Secured and unsecured loans	16		
Other liabilities	17	45581	22957
<b>Total net assets (14-15-16-17)</b>	<b>18</b>	<b>7926259</b>	<b>6830954</b>

**Directly held linked assets**

Value of directly held linked assets	21	7197	7966
--------------------------------------	----	------	------

**Total**

Value of directly held linked assets and units held (18+21)	31	7933456	6838920
Surplus units	32	158587	112004
Deficit units	33		
<b>Net unit liability (31-32+33)</b>	<b>34</b>	<b>7774869</b>	<b>6726916</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business  
 Financial year ended **31 December 2006**  
 Units **£000**

Financial year	Previous year
1	2

**Income**

Value of total creation of units	11	584732	549122
Investment income attributable to the funds before deduction of tax	12	254699	147004
Increase (decrease) in the value of investments in the financial year	13	480295	892159
Other income	14		
<b>Total income</b>	<b>19</b>	<b>1319726</b>	<b>1588285</b>

**Expenditure**

Value of total cancellation of units	21	190556	196832
Charges for management	22	20219	18667
Charges in respect of tax on investment income	23	41	374
Taxation on realised capital gains	24	18652	2685
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25	(7332)	11903
Other expenditure	26	2285	217
<b>Total expenditure</b>	<b>29</b>	<b>224421</b>	<b>230678</b>

Increase (decrease) in funds in financial year (19-29)	39	1095305	1357607
Internal linked fund brought forward	49	6830954	5473347
Internal linked funds carried forward (39+49)	59	7926259	6830954

**Long-term insurance business : Summary of new business**Name of insurer **Royal London Mutual Insurance Society Limited**

Total business

Financial year ended **31 December 2006**Units **£000**

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

**Number of new policyholders/  
scheme members for direct  
insurance business**

Regular premium business	11	54074	28936	1321	84331	84192
Single premium business	12	593	24947	828	26368	25095
<b>Total</b>	<b>13</b>	<b>54667</b>	<b>53883</b>	<b>2149</b>	<b>110699</b>	<b>109287</b>

**Amount of new regular  
premiums**

Direct insurance business	21	26183	95380	720	122283	131132
External reinsurance	22					
Intra-group reinsurance	23					
<b>Total</b>	<b>24</b>	<b>26183</b>	<b>95380</b>	<b>720</b>	<b>122283</b>	<b>131132</b>

**Amount of new single  
premiums**

Direct insurance business	25	26453	1173223	61329	1261005	1027185
External reinsurance	26					
Intra-group reinsurance	27					
<b>Total</b>	<b>28</b>	<b>26453</b>	<b>1173223</b>	<b>61329</b>	<b>1261005</b>	<b>1027185</b>

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

Name of insurer

Royal London Mutual Insurance Society Limited

Total business

Financial year ended

31 December 2006

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
325	Level term assurance	608	81		
325	Level term assurance (Bright Grey)	15226	5210		
330	Decreasing term assurance	51	11		
330	Decreasing term assurance (Bright Grey)	15587	5127		
340	Accelerated critical illness (guaranteed premiums) (Bright Grey)	10218	6466		
345	Accelerated critical illness (reviewable premiums) (Bright Grey)	8400	5420		
350	Stand-alone critical illness (guaranteed premiums) (Bright Grey)	10	11		
355	Stand-alone critical illness (reviewable premiums) (Bright Grey)	362	997		
360	Income protection non-profit (guaranteed premiums) (Bright Grey)	1517	824		
380	Miscellaneous protection rider (Bright Grey)		429		
500	Life UWP single premium			70	1061
505	Life UWP whole life regular premium	251	156		
506	Life UWP whole life regular premium (ISA)		107		
510	Life UWP endowment regular premium - savings		2		
515	Life UWP endowment regular premium - target cash	9	63		

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

Name of insurer

Royal London Mutual Insurance Society Limited

Total business

Financial year ended

31 December 2006

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
575	Miscellaneous UWP (single premium ISA)			81	209
700	Life property linked single premium			442	25182
710	Life property linked whole life regular premium		37		
715	Life property linked endowment regular premium - savings	40	123		
720	Life property linked endowment regular premium - target cash		171		
790	Miscellaneous protection rider		21		
910	Miscellaneous index linked (Swiss Life)		9		
910	Miscellaneous index linked (Bright Grey)	1795	916		

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

Name of insurer

**Royal London Mutual Insurance Society Limited**

Total business

Financial year ended

**31 December 2006**

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
160	Conventional pensions endowment with-profits - increments		7		71506
175	Group conventional deferred annuity with-profits	3			
180	Group conventional deferred annuity with-profits - increments		7		
325	RL Level term assurance (Bright Grey)	1217	460		
330	RL Decreasing term assurance (Bright Grey)	575	192		
390	Deferred annuity non-profit		2		25
400	Annuity non-profit (CPA)			12645	196236
410	Group Life	24	92		
420	Group income protection	69	39		
525	Individual pensions UWP		553		2957
530	Individual Pensions UWP- increments		1127		6097
535	Group money purchase pensions UWP		816		1559
540	Group money purchase pensions UWP - increments		545		583
550	Individual deposit administration with-profits - increments		16		279
555	Group deposit administration with-profits	100	288		1483

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

Name of insurer

Royal London Mutual Insurance Society Limited

Total business

Financial year ended

31 December 2006

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
560	Group deposit administration with-profits - increments		314		
565	DWP National Insurance Rebates UWP				73221
580	Term assurance rider		171		
605	Miscellaneous protection rider		4		
725	Individual Pensions Property Linked	24731	69453	5559	175530
730	Individual Pensions Property Linked - Increments		11077		245888
735	Group money purchase pensions property linked	2217	7607	3493	127228
740	Group money purchase pensions property linked - increments		2611		38410
745	DWP National Insurance rebates property linked			789	97902
750	Income drawdown property linked			2422	133700
905	Index Linked Annuity			39	618

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

Name of insurer

**Royal London Mutual Insurance Society Limited**

Total business

Financial year ended

**31 December 2006**

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
325	Level term assurance (Bright Grey)	389	159		
330	Decreasing term assurance (Bright Grey)	635	308		
340	Accelerated critical illness (guaranteed premiums) (Bright Grey)	191	145		
345	Accelerated critical illness (reviewable premiums) (Bright Grey)	100	107		
500	Life UWP Single Premium (European Bond)			753	50606
700	Life property linked single premium			75	10722
910	Miscellaneous index linked (Bright Grey)	6	2		

**Long-term insurance business : Non- linked assets**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Category of assets **10 Total long term insurance business assets**  
 Financial year ended **31 December 2006**  
 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	55522	67724	2854	4.21	
Approved fixed interest securities	12	221342	221500	10798	4.59	
Other fixed interest securities	13	242936	265687	14581	5.65	
Variable interest securities	14	23163	17713	490	2.33	
UK listed equity shares	15	201803	200873	5482	4.38	
Non-UK listed equity shares	16	13905	19113	336	3.31	
Unlisted equity shares	17	599	2110			
Other assets	18	41055	5605	302	5.39	
<b>Total</b>	<b>19</b>	<b>800325</b>	<b>800325</b>	<b>34843</b>	<b>4.77</b>	

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

Land and buildings	21	1641155	2146100	76031	3.54	21.41
Approved fixed interest securities	22	2659780	2663012	127868	4.53	0.06
Other fixed interest securities	23	2743645	3164781	171655	5.66	1.22
Variable interest securities	24	621796	458921	17434	2.99	2.49
UK listed equity shares	25	4845691	4767859	139285	4.70	16.53
Non-UK listed equity shares	26	871718	926018	21236	3.70	7.29
Unlisted equity shares	27	145539	145438			
Other assets	28	1279121	536316	30524	5.69	6.08
<b>Total</b>	<b>29</b>	<b>14808444</b>	<b>14808444</b>	<b>584033</b>	<b>4.58</b>	<b>9.59</b>

**Overall return on with-profits assets**

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

**Long-term insurance business : Non- linked assets**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Category of assets **11 Royal London Other Long Term Funds**  
 Financial year ended **31 December 2006**  
 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	42070	47028	1856	3.95	
Approved fixed interest securities	12	106231	106378	5289	4.66	
Other fixed interest securities	13	154320	154801	9115	5.72	
Variable interest securities	14	13230	13698	261	1.39	
UK listed equity shares	15	154813	153687	4142	4.33	
Non-UK listed equity shares	16	2147	2754	54	3.43	
Unlisted equity shares	17					
Other assets	18	6485	950	38	4.03	
<b>Total</b>	<b>19</b>	<b>479296</b>	<b>479296</b>	<b>20754</b>	<b>4.73</b>	

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

Land and buildings	21	1446891	1885709	63780	3.39	21.92
Approved fixed interest securities	22	1234124	1237251	59638	4.53	0.19
Other fixed interest securities	23	1671786	1871490	106402	5.72	1.22
Variable interest securities	24	529261	421666	15298	2.76	3.11
UK listed equity shares	25	4327497	4247962	124067	4.70	16.55
Non-UK listed equity shares	26	751016	765538	18189	3.73	7.60
Unlisted equity shares	27	139959	127637			
Other assets	28	937093	480373	27642	5.75	4.85
<b>Total</b>	<b>29</b>	<b>11037626</b>	<b>11037626</b>	<b>415015</b>	<b>4.48</b>	<b>10.96</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					10.87
Return allocated to non taxable 'asset shares'	32					10.87
Return allocated to taxable 'asset shares'	33					9.68

**Long-term insurance business : Non- linked assets**

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Category of assets **12 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 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	13452	20696	999	4.83	
Approved fixed interest securities	12	115110	115122	5509	4.54	
Other fixed interest securities	13	88616	110886	5466	5.56	
Variable interest securities	14	9933	4015	229	5.54	
UK listed equity shares	15	46990	47186	1340	4.56	
Non-UK listed equity shares	16	11758	16359	282	3.29	
Unlisted equity shares	17	599	2110			
Other assets	18	34570	4654	264	5.67	
<b>Total</b>	<b>19</b>	<b>321028</b>	<b>321028</b>	<b>14089</b>	<b>4.85</b>	

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

Land and buildings	21	194264	260391	12251	4.70	17.62
Approved fixed interest securities	22	1425656	1425761	68230	4.54	(0.13)
Other fixed interest securities	23	1071860	1293291	65253	5.58	1.24
Variable interest securities	24	92535	37254	2135	5.56	1.24
UK listed equity shares	25	518195	519898	15218	4.70	16.37
Non-UK listed equity shares	26	120702	160480	3047	3.54	5.87
Unlisted equity shares	27	5580	17800			
Other assets	28	342027	55943	2883	5.15	14.26
<b>Total</b>	<b>29</b>	<b>3770819</b>	<b>3770819</b>	<b>169018</b>	<b>4.88</b>	<b>5.15</b>

**Overall return on with-profits assets**

Post investment costs but pre-tax	31					5.12
Return allocated to non taxable 'asset shares'	32					5.12
Return allocated to taxable 'asset shares'	33					4.09

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Category of assets **10 Total long term insurance business assets**  
 Financial year ended **31 December 2006**  
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
<b>UK Government approved fixed interest securities</b>	<b>11</b>	2664339	11.92	4.58	4.58
<b>Other approved fixed interest securities</b>	<b>21</b>	220173	7.75	4.07	4.07
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>	911991	10.07	5.14	4.97
AA/Aa	<b>32</b>	288032	10.56	5.41	5.09
A/A	<b>33</b>	1001104	11.01	5.85	5.47
BBB/Baa	<b>34</b>	475949	8.98	6.07	5.34
BB/Ba	<b>35</b>	14479	4.94	7.52	5.66
B/B	<b>36</b>	7272	7.27	9.18	5.58
CCC/Caa	<b>37</b>	4171	7.00	9.85	4.14
Other (including unrated)	<b>38</b>	727471	13.41	5.80	5.12
<b>Total other fixed interest securities</b>	<b>39</b>	3430468	10.91	5.66	5.21
<b>Approved variable interest securities</b>	<b>41</b>	242759	11.39	1.37	1.37
<b>Other variable interest securities</b>	<b>51</b>	233875	18.64	4.62	3.84
<b>Total (11+21+39+41+51)</b>	<b>61</b>	6791614	11.49	5.00	4.74

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Category of assets **11 Royal London Other Long Term Funds**  
 Financial year ended **31 December 2006**  
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
<b>UK Government approved fixed interest securities</b>	<b>11</b>	1166039	10.96	4.64	4.64
<b>Other approved fixed interest securities</b>	<b>21</b>	177589	6.32	3.89	3.89
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>	577151	9.51	5.14	4.96
AA/Aa	<b>32</b>	157279	10.34	5.42	5.10
A/A	<b>33</b>	608421	10.88	5.84	5.47
BBB/Baa	<b>34</b>	297482	8.69	6.09	5.36
BB/Ba	<b>35</b>	12728	4.88	7.54	5.67
B/B	<b>36</b>	5457	7.25	9.13	5.33
CCC/Caa	<b>37</b>	2076	4.45	11.37	3.88
Other (including unrated)	<b>38</b>	365696	9.60	6.13	5.04
<b>Total other fixed interest securities</b>	<b>39</b>	2026291	9.84	5.72	5.20
<b>Approved variable interest securities</b>	<b>41</b>	240539	11.40	1.38	1.38
<b>Other variable interest securities</b>	<b>51</b>	194826	20.01	4.37	3.47
<b>Total (11+21+39+41+51)</b>	<b>61</b>	3805285	10.64	4.96	4.64

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Category of assets **12 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
<b>UK Government approved fixed interest securities</b>	<b>11</b>	1498300	12.67	4.53	4.53
<b>Other approved fixed interest securities</b>	<b>21</b>	42583	13.68	4.81	4.81
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>	334839	11.04	5.13	4.98
AA/Aa	<b>32</b>	130752	10.81	5.39	5.06
A/A	<b>33</b>	392683	11.21	5.85	5.48
BBB/Baa	<b>34</b>	178466	9.47	6.04	5.31
BB/Ba	<b>35</b>	1751	5.42	7.42	5.59
B/B	<b>36</b>	1815	7.31	9.32	6.33
CCC/Caa	<b>37</b>	2096	9.53	8.34	4.40
Other (including unrated)	<b>38</b>	361775	17.26	5.48	5.21
<b>Total other fixed interest securities</b>	<b>39</b>	1404177	12.45	5.58	5.23
<b>Approved variable interest securities</b>	<b>41</b>	2220	10.14	0.25	0.25
<b>Other variable interest securities</b>	<b>51</b>	39049	11.76	5.86	5.70
<b>Total (11+21+39+41+51)</b>	<b>61</b>	2986330	12.57	5.04	4.87

**Long-term insurance business : Summary of mathematical reserves**Name of insurer **Royal London Mutual Insurance Society Limited**Total business / subfund **10 Summary**Financial year ended **31 December 2006**

Units

**£000**

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

**Gross**

Form 51 - with-profits	11	3518748	3580727		7099474	7659443
Form 51 - non-profit	12	329097	617758	3434	950289	2592488
Form 52	13	356434	2864453	83514	3304400	3374000
Form 53 - linked	14	684917	7306317	43383	8034617	6876990
Form 53 - non-linked	15	19142	15299	(1428)	33013	39931
Form 54 - linked	16	5688	10397	2	16087	41557
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>	<b>4914026</b>	<b>14394950</b>	<b>128904</b>	<b>19437880</b>	<b>20584407</b>

**Reinsurance - external**

Form 51 - with-profits	21	1267			1267	1218
Form 51 - non-profit	22	91340	187142	3128	281610	1213962
Form 52	23	11	8		19	34
Form 53 - linked	24		260332		260332	152248
Form 53 - non-linked	25	6283	67		6351	722
Form 54 - linked	26	1753	2514	0	4267	29045
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>	<b>100654</b>	<b>450064</b>	<b>3128</b>	<b>553846</b>	<b>1397229</b>

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41	3517481	3580727		7098208	7658225
Form 51 - non-profit	42	237757	430615	307	668679	1378526
Form 52	43	356424	2864444	83514	3304381	3373966
Form 53 - linked	44	684917	7045985	43383	7774285	6724741
Form 53 - non-linked	45	12858	15232	(1428)	26662	39208
Form 54 - linked	46	3935	7883	1	11820	12512
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>	<b>4813372</b>	<b>13944886</b>	<b>125776</b>	<b>18884034</b>	<b>19187178</b>

**Long-term insurance business : Summary of mathematical reserves**Name of insurer **Royal London Mutual Insurance Society Limited**Total business / subfund **11 Royal London Other Long Term Funds**Financial year ended **31 December 2006**

Units

**£000**

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

**Gross**

Form 51 - with-profits	11	2820197	1776173		4596370	4844243
Form 51 - non-profit	12	313285	358184	3434	674903	2345852
Form 52	13	319032	1927554	83514	2330100	2291294
Form 53 - linked	14	684741	7075304	43383	7803427	6677768
Form 53 - non-linked	15	19078	(6758)	(1428)	10892	14661
Form 54 - linked	16	5688	10397	2	16087	41557
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>	<b>4162022</b>	<b>11140853</b>	<b>128904</b>	<b>15431779</b>	<b>16215375</b>

**Reinsurance - external**

Form 51 - with-profits	21					
Form 51 - non-profit	22	91173	187123	3128	281424	1213776
Form 52	23	11	0		11	15
Form 53 - linked	24		260332		260332	152248
Form 53 - non-linked	25	6283	67		6351	722
Form 54 - linked	26	1753	2514	0	4267	29045
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>	<b>99221</b>	<b>450037</b>	<b>3128</b>	<b>552385</b>	<b>1395806</b>

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41	2820197	1776173		4596370	4844243
Form 51 - non-profit	42	222112	171061	307	393479	1132076
Form 52	43	319021	1927554	83514	2330089	2291280
Form 53 - linked	44	684741	6814971	43383	7543095	6525519
Form 53 - non-linked	45	12795	(6826)	(1428)	4541	13939
Form 54 - linked	46	3935	7883	1	11820	12512
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>	<b>4062801</b>	<b>10690816</b>	<b>125776</b>	<b>14879393</b>	<b>14819568</b>

**Long-term insurance business : Summary of mathematical reserves**Name of insurer **Royal London Mutual Insurance Society Limited**Total business / subfund **21 Royal London IB & OB Subfund**Financial year ended **31 December 2006**

Units

**£000**

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

**Gross**

Form 51 - with-profits	11	1701957	665064		2367021	1443604
Form 51 - non-profit	12	260838	358184	3434	622456	778389
Form 52	13	319032	1927554	83514	2330100	1947784
Form 53 - linked	14	684741	7075304	43383	7803427	6137736
Form 53 - non-linked	15	19078	(6758)	(1428)	10892	6145
Form 54 - linked	16	5688	10397	2	16087	4322
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>	<b>2991334</b>	<b>10029744</b>	<b>128904</b>	<b>13149982</b>	<b>10317980</b>

**Reinsurance - external**

Form 51 - with-profits	21					
Form 51 - non-profit	22	91173	187123	3128	281424	1965
Form 52	23	11	0		11	0
Form 53 - linked	24		260332		260332	152248
Form 53 - non-linked	25	6283	67		6351	
Form 54 - linked	26	1753	2514	0	4267	890
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>	<b>99221</b>	<b>450037</b>	<b>3128</b>	<b>552385</b>	<b>155103</b>

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41	1701957	665064		2367021	1443604
Form 51 - non-profit	42	169664	171061	307	341031	776424
Form 52	43	319021	1927554	83514	2330089	1947784
Form 53 - linked	44	684741	6814971	43383	7543095	5985487
Form 53 - non-linked	45	12795	(6826)	(1428)	4541	6145
Form 54 - linked	46	3935	7883	1	11820	3432
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>	<b>2892114</b>	<b>9579707</b>	<b>125776</b>	<b>12597597</b>	<b>10162877</b>

**Long-term insurance business : Summary of mathematical reserves**Name of insurer **Royal London Mutual Insurance Society Limited**Total business / subfund **22 Refuge Assurance OB Subfund**Financial year ended **31 December 2006**

Units

**£000**

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

**Gross**

Form 51 - with-profits	11				1123801
Form 51 - non-profit	12				1512501
Form 52	13				343510
Form 53 - linked	14				540032
Form 53 - non-linked	15				8516
Form 54 - linked	16				37235
Form 54 - non-linked	17				
<b>Total</b>	<b>18</b>				<b>3565594</b>

**Reinsurance - external**

Form 51 - with-profits	21				
Form 51 - non-profit	22				1211811
Form 52	23				15
Form 53 - linked	24				
Form 53 - non-linked	25				722
Form 54 - linked	26				28155
Form 54 - non-linked	27				
<b>Total</b>	<b>28</b>				<b>1240703</b>

**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				
<b>Total</b>	<b>38</b>				

**Net of reinsurance**

Form 51 - with-profits	41				1123801
Form 51 - non-profit	42				300690
Form 52	43				343496
Form 53 - linked	44				540032
Form 53 - non-linked	45				7793
Form 54 - linked	46				9080
Form 54 - non-linked	47				
<b>Total</b>	<b>48</b>				<b>2324891</b>

**Long-term insurance business : Summary of mathematical reserves**Name of insurer **Royal London Mutual Insurance Society Limited**Total business / subfund **23 Refuge Assurance IB Subfund**Financial year ended **31 December 2006**

Units

**£000**

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

**Gross**

Form 51 - with-profits	11	297881		297881	347968
Form 51 - non-profit	12	52447		52447	54963
Form 52	13				
Form 53 - linked	14				
Form 53 - non-linked	15				
Form 54 - linked	16				
Form 54 - non-linked	17				
<b>Total</b>	<b>18</b>	<b>350328</b>		<b>350328</b>	<b>402931</b>

**Reinsurance - external**

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

**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				
<b>Total</b>	<b>38</b>				

**Net of reinsurance**

Form 51 - with-profits	41	297881		297881	347968
Form 51 - non-profit	42	52447		52447	54963
Form 52	43				
Form 53 - linked	44				
Form 53 - non-linked	45				
Form 54 - linked	46				
Form 54 - non-linked	47				
<b>Total</b>	<b>48</b>	<b>350328</b>		<b>350328</b>	<b>402931</b>

**Long-term insurance business : Summary of mathematical reserves**Name of insurer **Royal London Mutual Insurance Society Limited**Total business / subfund **24 United Friendly OB Subfund**Financial year ended **31 December 2006**

Units

**£000**

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

**Gross**

Form 51 - with-profits	11	196954	1111109		1308063	1258753
Form 51 - non-profit	12					
Form 52	13					
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16					
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>	196954	1111109		1308063	1258753

**Reinsurance - external**

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

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41	196954	1111109		1308063	1258753
Form 51 - non-profit	42					
Form 52	43					
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46					
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>	196954	1111109		1308063	1258753

**Long-term insurance business : Summary of mathematical reserves**Name of insurer **Royal London Mutual Insurance Society Limited**Total business / subfund **25 United Friendly IB Subfund**Financial year ended **31 December 2006**

Units

**£000**

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

**Gross**

Form 51 - with-profits	11	623405		623405	670117
Form 51 - non-profit	12				
Form 52	13				
Form 53 - linked	14				
Form 53 - non-linked	15				
Form 54 - linked	16				
Form 54 - non-linked	17				
<b>Total</b>	<b>18</b>	<b>623405</b>		<b>623405</b>	<b>670117</b>

**Reinsurance - external**

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

**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				
<b>Total</b>	<b>38</b>				

**Net of reinsurance**

Form 51 - with-profits	41	623405		623405	670117
Form 51 - non-profit	42				
Form 52	43				
Form 53 - linked	44				
Form 53 - non-linked	45				
Form 54 - linked	46				
Form 54 - non-linked	47				
<b>Total</b>	<b>48</b>	<b>623405</b>		<b>623405</b>	<b>670117</b>

**Long-term insurance business : Summary of mathematical reserves**Name of insurer **Royal London Mutual Insurance Society Limited**Total business / subfund **26 Scottish Life Fund**Financial year ended **31 December 2006**

Units

**£000**

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

**Gross**

Form 51 - with-profits	11	698550	1804554		2503104	2815199
Form 51 - non-profit	12	15812	259574		275386	246636
Form 52	13	37402	936898		974301	1082705
Form 53 - linked	14	176	231014		231190	199222
Form 53 - non-linked	15	64	22057		22121	25270
Form 54 - linked	16					
Form 54 - non-linked	17					
<b>Total</b>	<b>18</b>	<b>752004</b>	<b>3254097</b>		<b>4006101</b>	<b>4369032</b>

**Reinsurance - external**

Form 51 - with-profits	21	1267			1267	1218
Form 51 - non-profit	22	167	19		186	186
Form 52	23		8		8	19
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
<b>Total</b>	<b>28</b>	<b>1433</b>	<b>27</b>		<b>1461</b>	<b>1423</b>

**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					
<b>Total</b>	<b>38</b>					

**Net of reinsurance**

Form 51 - with-profits	41	697284	1804554		2501837	2813982
Form 51 - non-profit	42	15645	259555		275200	246450
Form 52	43	37402	936890		974293	1082686
Form 53 - linked	44	176	231014		231190	199222
Form 53 - non-linked	45	64	22057		22121	25270
Form 54 - linked	46					
Form 54 - non-linked	47					
<b>Total</b>	<b>48</b>	<b>750571</b>	<b>3254070</b>		<b>4004641</b>	<b>4367609</b>

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
100	Ex RA Conventional whole life with-profits OB	5806	21805	852				10648
100	RL Conventional whole life with-profits OB	8766	37680	1034				19452
100	RL Conventional whole life with-profits OB (with critical illness)	173	1409	52				383
105	RL Conventional whole life with-profits IB	424370	262880	8033				156916
120	Ex RA Conventional endowment with-profits OB savings	53712	309584	18529				226106
120	RL Conventional endowment with-profits OB savings	57286	466670	23536				327640
125	Ex RA Conventional endowment with-profits OB target cash	13536	181916	6010				118089
125	RL Conventional endowment with-profits OB target cash	50995	817933	28562				548009
130	RL Conventional endowment with-profits IB	184326	434948	23513				293442
205	RL Miscellaneous conventional with-profits	67	122					122
210	Ex RA Additional reserves with-profits OB (options and guarantees)							250
210	Ex SL Additional reserves with-profits OB (asset share charges)							(2)
210	Ex SL Additional reserves with-profits OB (expenses)							2
210	RL Additional reserves with-profits OB (options and guarantees)							900
300	Ex CL Regular premium non-profit WL/EA OB	830	7037	70				1944

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
300	Ex RA Regular premium non-profit WL/EA OB	12283	26769	143				20802
300	Ex SL Regular premium non-profit WL/EA OB	11864	27326	298				21094
300	Ex UFI regular premium non-profit WL/EA OB	21949	45401	734				18090
300	RL Regular premium non-profit WL/EA OB	5000	18304	89				13879
305	RL Single premium non-profit WL/EA OB	4	97					69
310	RL Non-profit IB	690787	94584	1076				46079
325	Ex CL Level term assurance	67	1422	5				2
325	Ex RA Level term assurance	6137	239864	918				214
325	Ex SL Level term assurance	4996	148011	528				1008
325	Ex UFI Level term assurance	2129	130628	627				228
325	Ex UFLA Level term assurance	14	545	1				1
325	RL Level term assurance	17458	609931	2249				708
325	RL Level term assurance (Bright Grey)	43595	6319298	15739				56448
330	Ex CL Decreasing term assurance	8	67	0				1
330	Ex RA Decreasing term assurance	1171	17638	103				48

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
330	Ex SL Decreasing term assurance	2056	42579	235				37
330	Ex UFI Decreasing term assurance	1494	16907	116				107
330	RL Decreasing term assurance	3937	274176	837				80
330	RL Decreasing term assurance (Bright Grey)	37136	4421739	13045				17326
335	Ex RA Decreasing term assurance (rider benefits)		86243	546				91
335	Ex UFI Decreasing term assurance (rider benefits)		6851	58				1
335	RL Decreasing term assurance (rider benefits)		237245	1307				862
340	RL Accelerated critical illness (guaranteed premiums) (Bright Grey)	15140	1601285	9024				8342
340	RL Accelerated critical illness (guaranteed premiums) (Swiss Life)	906	30395	245				650
345	RL Accelerated critical illness (reviewable premiums) (Bright Grey)	23703	2473412	14930				11450
345	RL Accelerated critical illness (reviewable premiums) (Swiss Life)	3	120	2				2
350	RL Stand alone critical illness (guaranteed premiums) (Swiss Life)	709	26372	181				796
350	RL Stand-alone critical illness (guaranteed premiums) (Bright Grey)	18	6788	33				6
355	RL Stand alone critical illness (reviewable premiums) (Swiss Life)	8	167	2				5
355	RL Stand-alone critical illness (reviewable premiums) (Bright Grey)	1023	373167	2010				2425

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
360	RL Income protection non-profit (guaranteed premiums)	373	2511	72				484
360	RL Income protection non-profit (guaranteed premiums) (Bright Grey)	3670	68195	1943				3284
360	RL Income protection non-profit (guaranteed premiums) (Swiss Life)	101	820	32				90
380	Ex RA Miscellaneous protection rider		9184	9				9
380	RL Miscellaneous protection rider (Bright Grey)		25909	1164				1164
380	RL Miscellaneous protection rider (Swiss Life)	974	318	13				26
385	RL Income protection claims in payment	27						625
385	RL Income protection claims in payment (Bright Grey)							84
385	RL Income protection claims in payment (Swiss Life)	1						5
395	Ex CL Annuity non-profit (PLA)	2	1					12
395	Ex RA Annuity non-profit (PLA)	405	227					1570
395	Ex SL Annuity non-profit (PLA) (individual)	218	334					2583
395	RL Annuity non-profit (PLA)	183	107					841
395	RL Annuity non-profit (PLA) (intermediary) (individual)	6	4					26
400	Ex SL Annuity non-profit (CPA) (group)	141	81					725

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
400	Ex SL Annuity non-profit (CPA) (individual)	164	656					4845
400	RL Annuity non-profit (CPA) (intermediary) (group)	1	3					23
400	RL Annuity non-profit (CPA) (intermediary) (individual)	4	13					101
410	Ex SL Group Life	6	2843	0				0
420	Ex SL Group income protection	950	43652	1479				383
425	Ex SL Group income protection claims in payment	57						21091
440	Ex CL Additional reserves non-profit OB (extra premiums)							0
440	Ex CL Additional reserves non-profit OB (LAPR)							2
440	Ex UFI additional reserves non-profit OB (options and guarantees)							71

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Life / Reinsurance ceded external

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
300	Ex SL Regular premium non-profit WL/EA OB		279	10				115
325	Ex SL Level term assurance		4435	22				15
325	Ex UFLA Level term assurance		436					
325	RL Level term assurance (Bright Grey)		5702414	12063				54492
330	Ex SL Decreasing term assurance		883	14				0
330	RL Decreasing term assurance (Bright Grey)		3642885	5756				16101
340	RL Accelerated critical illness (guaranteed premiums) (Bright Grey)		1205222	4757				7886
340	RL Accelerated critical illness (guaranteed premiums) (Swiss Life)		30395	245				650
345	RL Accelerated critical illness (reviewable premiums) (Bright Grey)		1898077	9475				8453
345	RL Accelerated critical illness (reviewable premiums) (Swiss Life)		120	2				2
350	RL Stand alone critical illness (guaranteed premiums) (Swiss Life)		26372	181				796
350	RL Stand-alone critical illness (guaranteed premiums) (Bright Grey)		5385	19				4
355	RL Stand alone critical illness (reviewable premiums) (Swiss Life)		167	2				5
355	RL Stand-alone critical illness (reviewable premiums) (Bright Grey)		283306	1245				1775
360	RL Income protection non-profit (guaranteed premiums) (Bright Grey)		29560	292				755



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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 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
155	Ex RA Conventional pensions endowment with-profits	28099	409693	7944				135441
155	Ex RA Conventional pensions endowment with-profits (with GAR)	18425	244924	2223				150797
165	Ex RA Conventional deferred annuity with-profits	32032	49449	3324				385585
165	RL Conventional deferred annuity with-profits	190	194	1				2587
210	Ex RA Additional reserves with-profits OB (pension review)							8302
210	Ex SL Additional reserves with-profits OB (asset share charges)							(56592)
210	Ex SL Additional reserves with-profits OB (expenses)							18109
210	RL additional reserves with-profits OB (UFI pension review)							20835
325	Ex CL Level term assurance	18	390	2				1
325	Ex RA Level term assurance	3072	56150	316				267
325	Ex SL Level term assurance	438	16975	61				149
325	Ex UFI Level term assurance	68	2529	12				2
325	Ex UFLA Level term assurance	72	5488	21				34
325	RL Level term assurance	2214	80376	342				192
325	RL Level term assurance (Bright Grey)	1217	199549	460				1071

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 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
330	Ex SL Decreasing term assurance	38	3941	7				14
330	RL Decreasing term assurance (Bright Grey)	575	82614	192				139
380	RL Miscellaneous protection rider		9976	214				250
390	Ex RA Deferred annuity non-profit	7480	2262	0				22296
390	Ex SL Deferred annuity non-profit		56383	744				60042
390	Ex SL Deferred annuity non-profit (with GAR)		34310	272				34406
400	Ex CL Annuity non-profit (CPA)	9	0					3
400	Ex RA Annuity non-profit (CPA)	2192	630					7348
400	Ex RIL Annuity non-profit (CPA)	97	59					913
400	Ex SL Annuity non-profit (CPA) (group)	1144	1144					17013
400	Ex SL Annuity non-profit (CPA) (individual)	245	712					8593
400	Ex UFI Annuity non-profit (CPA)	10	3					40
400	Ex UFLA Annuity non-profit (CPA)	1	0					3
400	RL Annuity non-profit (CPA)	169	139					1980
400	RL Annuity non-profit (CPA) (intermediary) (group)	2366	3764					47664

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 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
400	RL Annuity non-profit (CPA) (intermediary) (individual)	9549	12031					153865
410	Ex SL Group Life	2595	50558	118				114
410	RL Group life		257					2
435	Ex SL Miscellaneous non-profit	1220	918	217				1786
440	Ex CL Additional reserves non-profit OB (extra premiums)							0

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 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
325	Ex SL Level term assurance		130	0				0
325	Ex UFLA Level term assurance		4391					
325	RL Level term assurance (Bright Grey)		179980	304				1016
330	Ex SL Decreasing term assurance		949	1				5
330	RL Decreasing term assurance (Bright Grey)		67507	43				118
380	RL Miscellaneous protection rider		8767	108				108
400	Ex SL Annuity non-profit (CPA) (group)		177					2260
400	Ex SL Annuity non-profit (CPA) (individual)		129					1463
400	RL Annuity non-profit (CPA) (intermediary) (group)		3464					41654
400	RL Annuity non-profit (CPA) (intermediary) (individual)		11336					140498
410	Ex SL Group Life		641	4				1



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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 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
325	RL Level term assurance (Bright Grey)		217133	429				1790
330	RL Decreasing term assurance (Bright Grey)		272411	386				916
340	RL Accelerated critical illness (guaranteed premiums) (Bright Grey)		24647	97				136
345	RL Accelerated critical illness (reviewable premiums) (Bright Grey)		61330	305				286

118

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **23 Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
105	Ex RA Conventional whole life with-profits IB	221594	171968	6107				110758
105	Ex RA Conventional whole life with-profits IB (with non-profit recurring endowments)	6274	1179	21				1168
105	Ex RA Conventional whole life with-profits IB (with with-profit recurring endowments)	9186	7197	170				4739
130	Ex RA Conventional endowment with-profits IB	107624	254197	14110				181217
310	Ex RA Non-profit IB	712826	92191	1044				52447

119







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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **26 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
100	Ex SL Conventional whole life with-profits OB	1747	11669	69				7404
120	Ex SL Conventional endowment with-profits OB savings	11062	73290	2422				65665
125	Ex SL Conventional endowment with-profits OB target cash	57639	814639	24759				625374
165	Ex SL Conventional deferred annuity with-profits	6	4					51
185	Ex SL Group conventional pensions endowment with-profits		65					56
205	Ex SL Miscellaneous conventional with-profits		37	0				0
300	Ex SL Regular premium non-profit WL/EA OB	302	167					492
325	Ex SL Level term assurance		145197	604				396
330	Ex SL Decreasing term assurance		23	1				0
335	Ex SL Decreasing term assurance (rider benefits)		535253	2194				2592
390	Ex SL Deferred annuity non-profit	315	84					455
410	Ex SL Group Life	11	13253	1				0
420	Ex SL Group income protection	465	14108	349				92
425	Ex SL Group income protection claims in payment	19						11784
435	Ex SL Miscellaneous non-profit	82	19					

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **26 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Life / Reinsurance ceded external

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
100	Ex SL Conventional whole life with-profits OB		263	2				208
120	Ex SL Conventional endowment with-profits OB savings		52	4				39
125	Ex SL Conventional endowment with-profits OB target cash		1325	41				1020
205	Ex SL Miscellaneous conventional with-profits		1743	74				
325	Ex SL Level term assurance		160	0				0
335	Ex SL Decreasing term assurance (rider benefits)		949	4				7
420	Ex SL Group income protection		987	44				11
425	Ex SL Group income protection claims in payment							148

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **26 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 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
155	Ex SL Conventional pensions endowment with-profits		852538	8612				668216
155	Ex SL Conventional pensions endowment with-profits (with GAR)	1919	763851	5052				873387
155	RL Conventional pensions endowment with-profits (intermediary)		101					97
175	Ex SL Group conventional deferred annuity with-profits	1654	8410	521				124077
185	Ex SL Group conventional pensions endowment with-profits		91934	2068				70861
185	Ex SL Group conventional pensions endowment with-profits (with GAR)	416	57657	505				68261
205	Ex SL Miscellaneous conventional with-profits	8	1446	1				(347)
300	Ex SL Regular premium non-profit WL/EA OB	69	26812	0				26093
300	Ex SL Regular premium non-profit WL/EA OB (with GAR)							14032
325	Ex SL Level term assurance	78	6690	9				89
335	Ex SL Decreasing term assurance (rider benefits)		97	1				0
380	Ex SL Miscellaneous protection rider		62	1				0
390	Ex SL Deferred annuity non-profit	8169	15000	176				151864
390	Ex SL Deferred annuity non-profit (with GAR)	4667	5451	44				62784
410	Ex SL Group Life	775	235650	549				53



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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **26 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 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
325	Ex SL Level term assurance		863	1				14
410	Ex SL Group Life		2987	20				5

127

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 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	Ex RA Life UWP single premium		38086		37709	35500		35500
500	RL Life UWP single premium	13636	163214		161598	161973		161973
500	RL Life UWP single premium (European Bond)	65	4702		4655	6040		6040
505	RL Life UWP whole life regular premium	4045	11754	2689	11754	11754		11754
506	RL Life UWP whole life regular premium (ISA)	29166	91405	15179	91405	88934		88934
510	Ex SL Life UWP endowment regular premium - savings		33	4	25	24	1028	1052
510	RL Life UWP endowment regular premium - savings (intermediary)		2857	262	817	817	(10)	807
515	Ex SL Life UWP endowment regular premium – target cash	1578	123	5	239	174	2835	3009
515	RL Life UWP endowment regular premium – target cash (intermediary)	347	16999	663	1309	1304	(31)	1273
575	RL Miscellaneous UWP (single premium ISA)	9896	12430		12430	12419		12419
610	Ex SL Additional reserves UWP (asset share charges)						(3728)	(3728)



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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 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
525	Ex RA Individual pensions UWP	9782	26611	3012	26611	26433	255	26688
525	Ex SL Individual pensions UWP		136948	5657	136684	136377	5489	141865
525	RL Individual pensions UWP	216135	1329113	20488	1329113	1310870	383	1311253
525	RL Individual pensions UWP (intermediary)		180631	7215	180719	180051	(2437)	177614
525	RL Individual pensions UWP (with GAR)	17087	149862	3624	149862	144327	12715	157042
535	Ex SL Group money purchase pensions UWP		16427	1712	16219	16147	8026	24173
535	Ex SL Group money purchase pensions UWP (final salary)		51		51	51	1324	1376
535	RL Group money purchase pensions UWP (intermediary)		30620	3988	30735	30649	864	31512
535	RL Group money purchase pensions UWP (intermediary) (final salary)		3560	285	3560	3560	195	3755
580	Ex SL Term assurance rider		183647	610			159	159
580	RL Term assurance rider (intermediary)		92122	210			52	52
595	RL Income protection rider (intermediary)			24			6	6
605	Ex SL Miscellaneous protection rider		2327	480			296	296
605	RL Miscellaneous protection rider (intermediary)			2			0	0
610	Ex SL Additional reserves UWP (asset share charges)						(31912)	(31912)

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 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
610	Ex SL Additional reserves UWP (expenses)						2914	2914
610	RL Additional reserves UWP (pension review)						80760	80760









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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **26 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 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
525	Ex SL Individual pensions UWP		126644	3514	127463	124118		124118
525	Ex SL Individual pensions UWP (with GAR)				21499	21499		21499
535	Ex SL Group money purchase pensions UWP		94924	830	99121	98648		98648
535	Ex SL Group money purchase pensions UWP (with GAR)				299	299		299
545	Ex SL Individual deposit administration with-profits	141	8933	95	10714	10578	412	10989
545	Ex SL Individual deposit administration with-profits (with GAR)		70177	34	103899	99078	146	99223
555	Ex SL Group deposit administration with-profits	59790	467365	2106	558075	553684	10375	564059
555	Ex SL Group deposit administration with-profits (with GAR)		2271	23	3419	3382	99	3481
580	Ex SL Term assurance rider		203286	1022			878	878
580	RL Term assurance rider (intermediary)		3522	7			53	53
605	Ex SL Miscellaneous protection rider		1143	284			617	617
610	Ex SL Additional reserves UWP		13034	846	13034	13034		13034



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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
700	Ex CL Life property linked single premium	11	47		44	44	0	44
700	Ex RA Life property linked single premium	14451	56003		53840	53840	282	54122
700	Ex SL Life property linked single premium	3920	97738		91952	91952	(98)	91855
700	Ex UFI Life property linked single premium	907	6229		6229	6229	9	6238
700	Ex UFLA Life property linked single premium	603	18885		17536	17536	35	17571
700	Ex UFLA Life property linked single premium (with mortality gtee)	628	19829		19632	19632	310	19943
700	RL Life property linked single premium	257	2717		2717	2717	(6)	2711
700	RL Life property linked single premium (intermediary)	1341	75498		67501	67501	3	67504
710	Ex CL Life property linked whole life regular premium	340	3172	83	802	802	105	907
710	Ex RA Life property linked whole life regular premium	3642	143838	1135	7845	7845	197	8043
710	Ex SL Life property linked whole life regular premium	1252	72392	403	3394	3394	147	3541
710	Ex UFI Life property linked whole life regular premium	2233	42344	495	4292	4292	49	4341
710	Ex UFI Life property linked whole life regular premium (with critical illness cover option)	419	12294	97	927	927	10	937
710	Ex UFLA Life property linked whole life regular premium	6926	288970	2578	16464	16464	1694	18157
715	Ex CL Life property linked endowment regular premium - savings	1353	9829	423	8692	8692	66	8758

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
715	Ex RA Life property linked endowment regular premium - savings	140	1329	32	1329	1329		1329
715	Ex SL Life property linked endowment regular premium - savings	8260	24119	1201	16894	16894	18	16912
715	Ex UFI Life property linked endowment regular premium - savings	3626	14859	1036	13396	13396	0	13396
715	Ex UFLA Life property linked endowment regular premium - savings	324	4999	116	4988	4988	10	4998
715	RL Life property linked endowment regular premium - savings	580	4778	235	4363	4363	(4)	4358
715	RL Life property linked endowment regular premium - savings (intermediary)	535	11189	828	1060	1060	17	1078
720	Ex CL Life property linked endowment regular premium - target cash	567	16961	320	7329	7329	1508	8837
720	Ex SL Life property linked endowment regular premium – target cash	34023	1005547	22377	310791	310791	4825	315616
720	Ex UFI Life property linked endowment regular premium - target cash	226	6130	183	2163	2163	1	2164
720	Ex UFLA Life property linked endowment regular premium - target cash	1069	39648	845	17725	17725	31	17755
720	RL Life property linked endowment regular premium – target cash (intermediary)	1245	48763	1672	2752	2752	161	2913
775	Ex SL Accelerated critical illness rider		213738				612	612
775	RL Accelerated critical illness rider (intermediary)		47711				81	81
780	Ex SL Stand-alone critical illness rider		25461				85	85
780	Ex UFI Stand-alone critical illness rider	43	1146	11	65	65	3	69

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Life / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
780	Ex UFLA Stand-alone critical illness rider		43208					
780	RL Stand-alone critical illness rider (intermediary)		1334				4	4
785	Ex UFI Income protection rider	12	36	3	19	19	1	20
785	Ex UFLA Income protection rider		38939					
790	Ex SL Miscellaneous protection rider			180			340	340
790	Ex UFI Miscellaneous protection rider		360	11			17	17
790	Ex UFLA Miscellaneous protection rider		597	15			7248	7248
790	RL Miscellaneous protection rider (intermediary)			37			9	9
800	Ex CL Additional reserves property linked (extra premiums)						2	2
800	Ex CL Additional reserves property linked (LAPR)						1	1
800	Ex UFI Additional reserves property linked (contingency)						2	2
800	RL Additional reserves property linked (contingency)						1302	1302

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Life / Reinsurance ceded external

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
710	Ex SL Life property linked whole life regular premium		3967				3	3
710	Ex UFI Life property linked whole life regular premium		30442					
710	Ex UFI Life property linked whole life regular premium (with critical illness cover option)		9094					
710	Ex UFLA Life property linked whole life regular premium		218005					
715	Ex SL Life property linked endowment regular premium - savings		133				0	0
715	Ex UFI Life property linked endowment regular premium - savings		1171					
715	Ex UFLA Life property linked endowment regular premium - savings		9					
715	RL Life property linked endowment regular premium - savings (intermediary)		15				0	0
720	Ex SL Life property linked endowment regular premium – target cash		112998				32	32
720	Ex UFI Life property linked endowment regular premium - target cash		3174					
720	Ex UFLA Life property linked endowment regular premium - target cash		17538					
720	RL Life property linked endowment regular premium – target cash (intermediary)		26131				5	5
775	Ex SL Accelerated critical illness rider		168436				485	485
775	RL Accelerated critical illness rider (intermediary)		34645				58	58
780	Ex SL Stand-alone critical illness rider		20167				67	67

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Life / Reinsurance ceded external

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
780	Ex UFI Stand-alone critical illness rider		865					
780	Ex UFLA Stand-alone critical illness rider		34567					
780	RL Stand-alone critical illness rider (intermediary)		1067				3	3
785	Ex UFLA Income protection rider		31152					
790	Ex SL Miscellaneous protection rider			45			53	53
790	Ex UFI Miscellaneous protection rider		288				14	14
790	Ex UFLA Miscellaneous protection rider		477				5557	5557
790	RL Miscellaneous protection rider (intermediary)			25			6	6

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Pension / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
725	Ex CL Individual pensions property linked	3377	26854	140	25565	25565	653	26218
725	Ex CL Individual pensions property linked (with GAR)	280	1505	20	1505	1505	681	2186
725	Ex RIL Individual pensions property linked	113702	910559	2319	910559	910559	814	911373
725	Ex SL Individual pensions property linked	125040	1002371	30904	1115162	1115162	(19692)	1095470
725	Ex SL Individual pensions property linked (with GAR)	60140	480342	4670	480342	480342	(13858)	466484
725	Ex UFI Individual pensions property linked	25843	280113	3803	280113	280113	4688	284801
725	Ex UFLA Individual pensions property linked	11402	167956	2443	139918	139918	570	140489
725	RL Individual pensions property linked	9847	47044	2911	47044	47044	386	47430
725	RL Individual pensions property linked (intermediary)	152326	2196114	200610	2295696	2295696	4486	2300183
735	Ex SL Group money purchase pensions property linked	48299	384568	9851	419554	419554	(1851)	417703
735	Ex SL Group money purchase pensions property linked (final salary)	7678	246727	14886	246727	246727	4019	250746
735	Ex SL Group money purchase pensions property linked (with GAR)	1590	26850	529	26850	26850	(393)	26457
735	RL Group money purchase pensions property linked (intermediary)	33256	376223	31682	408478	408478	6945	415422
735	RL Group money purchase pensions property linked (intermediary) (final salary)	647	315926	12415	315926	315926	5146	321072
750	Ex SL Income drawdown property linked	857	73330		73330	73330	(3894)	69436

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 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
750	RL Income drawdown property linked (intermediary)	3820	283240		283240	283240	(9035)	274205
755	Ex SL Trustee investment plan		2249		2249	2249		2249
755	Ex UFLA Trustee Investment Plan		303		303	303	2	305
770	Ex UFI Term assurance rider	2	111943	153	2740	2740	203	2943
790	Ex SL Miscellaneous protection rider			0			0	0
790	Ex UFI Miscellaneous protection rider		1358	41			48	48
790	Ex UFLA Miscellaneous protection rider		728	36			36	36
800	Ex CL Additional reserves property linked (extra premiums)						0	0
800	Ex RIL Additional reserves property linked (pension review)						5325	5325
800	Ex UFI Additional reserves property linked (contingency)						12	12
800	Ex UFI Additional reserves property linked (pension review)						6901	6901
800	Ex UFLA Additional reserves property linked (pension review)						1004	1004
800	RL Additional reserves property linked (contingency)						46	46

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 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	Ex SL Individual pensions property linked				3354	3354		3354
725	Ex UFLA Individual pensions property linked		22431					
725	RL Individual pensions property linked (intermediary)				166167	166167		166167
735	Ex SL Group money purchase pensions property linked				16403	16403		16403
735	RL Group money purchase pensions property linked (intermediary)				69931	69931		69931
750	Ex SL Income drawdown property linked				805	805		805
750	RL Income drawdown property linked (intermediary)				3672	3672		3672
770	Ex UFI Term assurance rider		87362					
790	Ex UFI Miscellaneous protection rider		1086				38	38
790	Ex UFLA Miscellaneous protection rider		583				29	29





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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **26 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 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	Ex SL Individual pensions property linked (with GAR)				217814	217814	19811	237626
735	Ex SL Group money purchase pensions property linked (with GAR)				13199	13199	2246	15445

148





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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Pension / Gross

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
905	Ex SL Index linked annuity (group)	4	331		3428	3428		3428
905	Ex SL Index linked annuity (individual)	7	329		2347	2347		2347
905	RL Index linked annuity (intermediary) (group)	20	108		1607	1607		1607
905	RL Index linked annuity (intermediary) (individual)	136	60		1256	1256		1256
910	RL Miscellaneous index linked	2357	27326		1759	1759		1759

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**  
 UK Pension / Reinsurance ceded external

Product code number	Product description	Number of policyholders / scheme members	Amount of benefit	Amount of annual office premiums	Nominal value of units	Discounted value of units	Other liabilities	Amount of mathematical reserves
1	2	3	4	5	6	7	8	9
905	Ex SL Index linked annuity (group)		47		525	525		525
905	Ex SL Index linked annuity (individual)		105		865	865		865
905	RL Index linked annuity (intermediary) (individual)		57		1124	1124		1124

152





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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business  
 Financial year ended **31 December 2006**  
 Units **£000**

<b>Fund name</b>	<b>Type of fund</b>	<b>Net assets</b>	<b>Main series</b>	<b>Unit management charge</b>	<b>Price at previous valuation date</b>	<b>Price at current valuation date</b>	<b>Change in price during year</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
SL Managed Fund	01 - life - stock market managed fund	331270		0.75	5.324928	5.841443	9.70
RIL Pension Managed Fund	11 - individual pension - stock market managed fund	691186	Series 1	1.05	6.117024	6.775923	10.77
UFLA Series 2 - Pension Managed Fund	11 - individual pension - stock market managed fund	121570		0.75	6.904799	7.729757	11.95
SL Global Managed Pension Fund	11 - individual pension - stock market managed fund	149528		1.00	5.373496	5.923912	10.24
SL Managed Pension Fund	12 - individual pension - balanced managed fund	2109891		1.00	6.856778	7.422882	8.26
UFI Series 1 - Pension UK Managed Fund	12 - individual pension - balanced managed fund	248240	UFI Policyholders	0.25	6.218439	7.028336	13.02
SL Defensive Managed Pension Fund	13 - individual pension - defensive managed fund	277726		1.00	1.832861	1.943189	6.02
SL UK Equity Pension Fund	15 - individual pension - UK equity	1072270		1.00	9.295331	10.746229	15.61
SL European Pension Fund	16 - individual pension - overseas equity	131570		1.00	13.690589	15.996373	16.84
SL Property Pension Fund	17 - individual pension - property	692298		1.00	7.490100	8.419000	12.40



**Long-term insurance business: analysis of valuation interest rate**Name of insurer **Royal London Mutual Insurance Society Limited**Subfund **21 Royal London IB & OB Subfund**Financial year ended **31 December 2006**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&GA RL OB and ex RA OB WP Form 51 Assurances (Excl Option and Guarantee)	1256503	4.00	4.52	4.89
UK L&GA RL IB WP Form 51 Assurances	452434	4.00	4.52	4.89
UK L&GA RL IB NP Form 51 Assurances	46079	4.00	4.52	4.89
UK L&GA RL, ex CL, ex RA, ex UFI and ex UFLA NP Form 51 Assurances	64420	4.00	4.52	4.89
UK L&GA ex SL OB NP Form 51 Assurances	22008	4.00	4.52	4.89
UK L&GA OB WP Form 52 Unit Reserves (Excl European Bond and ISA)	211594	4.00	4.52	4.89
UK L&GA OB WP Form 52 Non-Unit Reserves	91	3.10	3.88	4.66
UK L&GA OB NP Form 53 Non-Unit Reserves (Excl Contingency)	11220	3.10	3.88	4.66
UK Pens RL OB and ex RA OB WP Form 51 Assurances and Deferred Annuities (Excl Pens Review)	677920		4.63	4.87
UK Pens Ex SL OB WP Form 51 Expense Provision	18109		3.88	4.66
UK Pens RL, ex CL, ex RA OB, ex UFI and ex UFLA NP Form 51 Assurances	22868		4.63	4.87
UK Pens OB NP Form 51 Annuities in Payment and RL Misc Protection Rider	51689		5.00	5.34
UK Pens WP Form 52 Unit Reserves and GAR Reserve	1885765		4.63	4.87
UK Pens OB WP Form 52 Non-Unit Reserves (Excl GAR and Pens Review)	(3109)		3.88	4.66
UK Pens OB NP Form 53 Non-Unit Reserves (Excl Pens Review and Contingency)	(20114)		3.88	4.66
OLAB OB NP Form 51 Assurances	307		4.63	4.89
OLAB OB NP Form 53 Non-Unit Reserves	(1428)		3.88	4.66
Misc	382602	n/a	n/a	3.78
<b>Total</b>	5078957			



**Long-term insurance business: analysis of valuation interest rate**Name of insurer **Royal London Mutual Insurance Society Limited**Subfund **24 United Friendly OB Subfund**Financial year ended **31 December 2006**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&GA ex UFI OB WP Form 51 Assurances	196172	4.00	4.52	4.89
UK Pens ex UFI OB WP Form 51 Assurances	1115407		4.63	4.87
Misc	1468	n/a	n/a	4.76
<b>Total</b>	1313047			



**Long-term insurance business: analysis of valuation interest rate**Name of insurer **Royal London Mutual Insurance Society Limited**Subfund **26 Scottish Life Fund**Financial year ended **31 December 2006**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&GA WP Form 51 excluding £0.108m reserve and UK L&GA WP Form 52 excluding group deposit administration	736270	3.60	4.33	4.86
UK Pens WP Form 51 and UK Pens Form 52 excluding deposit administration	2069219		4.63	4.85
UK Pens NP Form 51 and UK Pens Form 53 other liabilities	281612		4.63	4.85
UK Pens WP Form 52 deposit administration	685930		4.63	4.90
Misc	16222	n/a	n/a	5.06
<b>Total</b>	3789254			

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **10 Summary**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Valuation result**

Fund carried forward	11	18945561	19258107
Bonus payments in anticipation of a surplus	12	159395	121863
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	19104956	19379970
Mathematical reserves	21	18884034	19187178
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	220922	192792

**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	220922	192792
Total	39	220922	192792

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	159395	121863
Cash bonuses	42		
Reversionary bonuses	43	61527	70929
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	220922	192792
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	220922	192792
Surplus carried forward	49		
Total (48+49)	59	220922	192792

**Percentage of distributed surplus allocated to policyholders**

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

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **11 Royal London Other Long Term Funds**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Valuation result**

Fund carried forward	11	14925117	14867857
Bonus payments in anticipation of a surplus	12	103037	80003
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	15028154	14947860
Mathematical reserves	21	14879393	14819568
Surplus including contingency and other reserves held towards the solvency margin (deficiency) (15-21)	29	148761	128292

**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	148761	128292
Total	39	148761	128292

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	103037	80003
Cash bonuses	42		
Reversionary bonuses	43	45724	48289
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	148761	128292
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	148761	128292
Surplus carried forward	49		
Total (48+49)	59	148761	128292

**Percentage of distributed surplus allocated to policyholders**

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

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **21 Royal London IB & OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Valuation result**

Fund carried forward	11	12633871	10190038
Bonus payments in anticipation of a surplus	12	72478	58203
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	12706349	10248242
Mathematical reserves	21	12597597	10162877
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	108752	85365

**Composition of surplus**

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33	3612	3801
Surplus arising since the last valuation	34	105140	81564
Total	39	108752	85365

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	72478	58203
Cash bonuses	42		
Reversionary bonuses	43	36274	27161
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	108752	85365
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	108752	85365
Surplus carried forward	49		
Total (48+49)	59	108752	85365

**Percentage of distributed surplus allocated to policyholders**

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

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **22 Refuge Assurance OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

Financial year	Previous year
1	2

**Valuation result**

Fund carried forward	11		2334882
Bonus payments in anticipation of a surplus	12	16752	10883
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14	1028	1351
Subtotal (11 to 14)	15	17780	2347115
Mathematical reserves	21		2324891
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	17780	22224

**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	17780	22224
Total	39	17780	22224

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	16752	10883
Cash bonuses	42		
Reversionary bonuses	43		9991
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	16752	20874
Net transfer out of fund / part of fund	47	1028	1351
Total distributed surplus (46+47)	48	17780	22224
Surplus carried forward	49		
Total (48+49)	59	17780	22224

**Percentage of distributed surplus allocated to policyholders**

Current year	61	94.22	93.92
Current year - 1	62	93.92	93.52
Current year - 2	63	93.52	92.37
Current year - 3	64	92.37	91.55

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **23 Refuge Assurance IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Valuation result**

Fund carried forward	11	352052	405007
Bonus payments in anticipation of a surplus	12	2799	3547
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14	502	625
Subtotal (11 to 14)	15	355353	409179
Mathematical reserves	21	350328	402931
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	5024	6248

**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	5024	6248
Total	39	5024	6248

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	2799	3547
Cash bonuses	42		
Reversionary bonuses	43	1723	2076
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	4522	5623
Net transfer out of fund / part of fund	47	502	625
Total distributed surplus (46+47)	48	5024	6248
Surplus carried forward	49		
Total (48+49)	59	5024	6248

**Percentage of distributed surplus allocated to policyholders**

Current year	61	90.00	90.00
Current year - 1	62	90.00	90.00
Current year - 2	63	90.00	90.00
Current year - 3	64	90.00	90.00

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **24 United Friendly OB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Valuation result**

Fund carried forward	11	1313047	1264120
Bonus payments in anticipation of a surplus	12	4579	3678
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14	1063	1005
Subtotal (11 to 14)	15	1318688	1268803
Mathematical reserves	21	1308063	1258753
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	10625	10050

**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	10625	10050
Total	39	10625	10050

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	4579	3678
Cash bonuses	42		
Reversionary bonuses	43	4984	5367
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	9563	9045
Net transfer out of fund / part of fund	47	1063	1005
Total distributed surplus (46+47)	48	10625	10050
Surplus carried forward	49		
Total (48+49)	59	10625	10050

**Percentage of distributed surplus allocated to policyholders**

Current year	61	90.00	90.00
Current year - 1	62	90.00	90.00
Current year - 2	63	90.00	90.00
Current year - 3	64	90.00	90.00

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **25 United Friendly IB Subfund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Valuation result**

Fund carried forward	11	626147	673810
Bonus payments in anticipation of a surplus	12	6430	3692
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14	1019	821
Subtotal (11 to 14)	15	633597	678323
Mathematical reserves	21	623405	670117
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	10192	8205

**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	10192	8205
Total	39	10192	8205

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	6430	3692
Cash bonuses	42		
Reversionary bonuses	43	2742	3693
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	9173	7385
Net transfer out of fund / part of fund	47	1019	821
Total distributed surplus (46+47)	48	10192	8205
Surplus carried forward	49		
Total (48+49)	59	10192	8205

**Percentage of distributed surplus allocated to policyholders**

Current year	61	90.00	90.00
Current year - 1	62	90.00	90.00
Current year - 2	63	90.00	90.00
Current year - 3	64	90.00	90.00

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Total business / subfund **26 Scottish Life Fund**  
 Financial year ended **31 December 2006**  
 Units **£000**

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

**Valuation result**

Fund carried forward	11	4020444	4390250
Bonus payments in anticipation of a surplus	12	56358	41859
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	4076802	4432109
Mathematical reserves	21	4004641	4367609
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	72161	64500

**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	72161	64500
Total	39	72161	64500

**Distribution of surplus**

Bonus paid in anticipation of a surplus	41	56358	41859
Cash bonuses	42		
Reversionary bonuses	43	15803	22641
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	72161	64500
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48	72161	64500
Surplus carried forward	49		
Total (48+49)	59	72161	64500

**Percentage of distributed surplus allocated to policyholders**

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

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Original insurer **41 Royal London Mutual Insurance Society Limited**  
 Date of maturity value / open market option **01 March 2007**

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	6760	561		CWP	N	6760
Endowment assurance	15	13387	1258		CWP	N	13387
Endowment assurance	20	26385	5748		CWP	N	26385
Endowment assurance	25	52209	19335		CWP	N	52209
Regular premium pension	5	13078	821		UWP	N	13078
Regular premium pension	10	27267	1790		CWP	N	28110
Regular premium pension	15	56902	13187		CWP	N	58661
Regular premium pension	20	115371	42204		CWP	N	73007
Single premium pension	5	11740	646		UWP	N	11740
Single premium pension	10	17537	4516		CWP	N	18080
Single premium pension	15	36400	18753		CWP	N	37525
Single premium pension	20	71449	42658		CWP	N	21911

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
Original insurer **41 Royal London Mutual Insurance Society Limited**  
Date of surrender value **01 March 2007**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	1889	95		UWP	Y	11250
Endowment assurance	10	5238	313		CWP	N	18755
Endowment assurance	15	11135	738		CWP	N	23871
Endowment assurance	20	23245	4224		CWP	N	33978
With-profits bond	2	10369	520		UWP	Y	10914
With-profits bond	3	13177	2842		UWP	Y	13177
With-profits bond	5	12658	1651		UWP	Y	12658
With-profits bond	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	2	10830	755		UWP	Y	10912
Single premium pension	3	11589	1133		UWP	Y	11647
Single premium pension	5	11740	646		UWP	Y	11740
Single premium pension	10	17537	4516		CWP	N	18080

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Original insurer **42 Refuge Assurance**  
 Date of maturity value / open market option **01 March 2007**

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	6675	672		CWP	N	6675
Endowment assurance	15	13342	1344		CWP	N	13342
Endowment assurance	20	23587	2376		CWP	N	23587
Endowment assurance	25	43181	8581		CWP	N	43181
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	26099	2391		CWP	N	26099
Regular premium pension	15	55197			CWP	N	49092
Regular premium pension	20	115165			CWP	N	73007
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	20612	1291		CWP	N	20612
Single premium pension	15	35634			CWP	N	18009
Single premium pension	20	70387			CWP	N	21911

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Original insurer **42 Refuge Assurance**  
 Date of surrender value **01 March 2007**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	5186	371		CWP	N	16742
Endowment assurance	15	11561	903		CWP	N	22248
Endowment assurance	20	22110	1992		CWP	N	29807
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	16404	1491		UWP	N	16568
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	15663	257		CWP	N	15663

**Long-term insurance business : With-profits payouts on maturity (normal retirement)**Name of insurer **Royal London Mutual Insurance Society Limited**Original insurer **43 United Friendly Insurance**Date of maturity value / open market option **01 March 2007**

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	6118	212		CWP	N	6118
Endowment assurance	15	11957	1069		CWP	N	11957
Endowment assurance	20	23228	4606		CWP	N	23228
Endowment assurance	25	41950	8901		CWP	N	41950
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	24133			CWP	N	24133
Regular premium pension	15	44613	442		CWP	N	44613
Regular premium pension	20	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	17029			CWP	N	17029
Single premium pension	15	28637	2364		CWP	N	28637
Single premium pension	20	n/a	n/a	n/a	n/a	n/a	n/a

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
Original insurer **43 United Friendly Insurance**  
Date of surrender value **01 March 2007**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	4119			CWP	N	16878
Endowment assurance	15	8998			CWP	N	21248
Endowment assurance	20	20514	4492		CWP	N	30209
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	16305			CWP	N	23800

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Original insurer **44 Scottish Life**  
 Date of maturity value / open market option **01 March 2007**

Category of with-profits policy 1	Original term (years) 2	Maturity value / open market option 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	10	5983	66		CWP	N	5983
Endowment assurance	15	11831	1436		CWP	N	11831
Endowment assurance	20	21781	4073		CWP	N	21781
Endowment assurance	25	40544	10294		CWP	N	40544
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	28333	2419		CWP	N	28333
Regular premium pension	15	54189	6786		CWP	N	54189
Regular premium pension	20	100473	13378		CWP	N	100473
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	17748	2386		CWP	N	17748
Single premium pension	15	30760	4339		CWP	N	30760
Single premium pension	20	56696	10505		CWP	N	56696

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

Name of insurer **Royal London Mutual Insurance Society Limited**  
 Original insurer **44 Scottish Life**  
 Date of surrender value **01 March 2007**

Category of with-profits policy 1	Duration at surrender (years) 2	Surrender value 3	Terminal bonus 4	MVA 5	CWP / UWP 6	MVA permitted? 7	Death benefit 8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	4938	13		CWP	N	14362
Endowment assurance	15	10758	1059		CWP	N	18894
Endowment assurance	20	21698	3656		CWP	N	27081
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	16199	2178	-459	CWP	Y	17540

**Long-term insurance capital requirement**Name of insurer **Royal London Mutual Insurance Society Limited**

Global business

Financial year ended **31 December 2006**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%	531026	512430	0.50	266	260
Classes I (other), II and IX	13	0.15%	111569	17470		84	62
Classes I (other), II and IX	14	0.3%	21134822	7299475		31702	24377
Classes III, VII and VIII	15	0.3%	2063168	1453263	0.70	4360	4815
<b>Total</b>	<b>16</b>		<b>23840586</b>	<b>9282638</b>		<b>36411</b>	<b>29514</b>

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

Class IV supplementary classes 1 and 2 and life protection reinsurance	21					1704	4736
--	----	--	--	--	--	------	------

**Insurance expense risk capital component**

Life protection and permanent health reinsurance	31	0%					
Classes I (other), II and IX	32	1%	8889583	8610171	0.97	86102	97330
Classes III, VII and VIII (investment risk)	33	1%	3279064	3275312	1.00	32753	34580
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%	1112485	1112485	1.00	11125	9381
Classes III, VII and VIII (other)	35	25%				4264	4004
Class IV (other)	36	1%	55175	44822	0.85	469	391
Class V	37	1%					
Class VI	38	1%					
<b>Total</b>	<b>39</b>					<b>134713</b>	<b>145686</b>

**Insurance market risk capital component**

Life protection and permanent health reinsurance	41	0%					
Classes I (other), II and IX	42	3%	8889583	8610171	0.97	258305	291990
Classes III, VII and VIII (investment risk)	43	3%	3279064	3275312	1.00	98259	103740
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%	1112485	1112485			
Classes III, VII and VIII (other)	45	0%	6163104	5902771			
Class IV (other)	46	3%	55175	44822	0.85	1407	1172
Class V	47	0%					
Class VI	48	3%					
<b>Total</b>	<b>49</b>		<b>19499410</b>	<b>18945561</b>		<b>357971</b>	<b>396902</b>

<b>Long term insurance capital requirement</b>	<b>51</b>					<b>530800</b>	<b>576837</b>
--	-----------	--	--	--	--	---------------	---------------