

Returns under the Accounts and Statements Rules

Report of the auditors to the directors pursuant to Rule 9.35 of the Interim Prudential Sourcebook: Insurers (Accounts and Statements Rules)

Name of company	The Royal London Mutual Insurance Society Limited
Global business	
Financial year ended	31 December 2006

We have examined the following documents prepared by the company pursuant to the Accounts and Statements Rules set out in part I and part IV of chapter 9 to the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Insurance Prudential Sourcebook ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 2, 3, 11 to 14, 17 to 19, 40 to 45, 48, 49, 56, 58 and 60, (including the supplementary notes) on pages 1 to 85, 92 to 97, 156, 162 to 169, 178 and 246 to 258 ("the Forms");
- the statement required by rule 9.29 on pages 259 to 261 ("the Statement"); and
- the statements, analysis and reports required by rule 9.31 (a) ("the valuation report") and 9.31 (b) ("the realistic valuation report") on pages 179 to 245.

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

- Forms 46 to 47, 50 to 55, 57 and 59A to 59B (including the supplementary notes) on pages 86 to 91, 98 to 155, 157 to 161, 170 to 177 and 254 to 258;
- the statements required by rules 9.30 and 9.36 on pages 262 and 266 respectively; and
- the certificate required by rule 9.34 on page 263 ("the certificate").

Respective responsibilities of the company and its auditors

The company is responsible for the preparation of an annual return (including the Forms, the Statement, the valuation report, the realistic valuation report, the forms and statements not examined by us and the certificate under the provisions of the Rules. The requirements of the Rules have been modified by waivers issued under section 148 of the Financial Services and Markets Act 2000 in June 2006 and December 2006. Under rule 9.11 the Forms, the Statement, the valuation report, the realistic valuation report, the forms and statements not examined by us and the certificate are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

The methods and assumptions determined by the company and used to perform the actuarial investigation as set out in the valuation report and the realistic valuation report, prepared in accordance with rule 9.31 are required to reflect appropriately the requirements of INSPRU 1.2 and 1.3.

It is our responsibility to form an independent opinion as to whether the Forms, the Statement, the valuation report and the realistic valuation report meet these requirements, and to report our opinions to you. We also report to you if, in our opinion, the company has not kept proper accounting records or if we have not received all the information we require for our examination. This report has been prepared for the directors of The Royal London Mutual Insurance Society Limited to comply with their obligations under rule 9.35 and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose save where expressly agreed by our prior consent in writing.

Basis of opinion

We conducted our work in accordance with Practice Note 20 'The audit of insurers in the United Kingdom (Revised)' issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms, the Statement, the valuation report and the realistic valuation report. The evidence included that previously obtained by us relating to the audit of the financial statements of the company for the financial year. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the Forms, the Statement, the valuation report and the realistic valuation report.

Returns under the Accounts and Statements Rules

Report of the auditors to the directors pursuant to Rule 9.35 of the Interim Prudential Sourcebook:
Insurers (Accounts and Statements Rules) (continued)

Name of company	The Royal London Mutual Insurance Society Limited
Global business	
Financial year ended	31 December 2006

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

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

Opinion

In our opinion:

(i) the Forms, the Statement, the valuation report and the realistic valuation report fairly state the information provided on the basis required by the Rules as modified and have been properly prepared in accordance with the provisions of those Rules; and

(ii) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report and the realistic valuation report prepared in accordance with rule 9.31 appropriately reflect the requirements of INSPRU 1.2 and 1.3.

PricewaterhouseCoopers LLP
Registered Auditor
Southwark Towers
32 London Bridge Street
London
SE1 9SY

29 March 2007