

AXA Sun Life Plc

**Annual FSA Insurance Returns for the year ended
31st December 2007**



(Appendices)
9.1, 9.3, 9.4, 9.6

Statement of solvency - long-term insurance business
Form 2

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

Solo solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	units	
	R2	3291349	GL	31	12	2007	£000
				As at end of this financial year		As at end of the previous year	
				1		2	

Capital resources

Capital resources arising within the long-term insurance fund	11	3464741	3907369
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	(88071)	(100780)
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	3376670	3806589

Guarantee fund

Guarantee Fund requirement	21	127466	133387
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	3249204	3673202

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31	382399	400162
Resilience capital requirement	32		
Base capital resources requirement	33	2231	2139
Individual minimum capital requirement	34	382399	400162
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	382399	400162
Excess (deficiency) of available capital resources to cover 50% of MCR	37	3185470	3606508
Excess (deficiency) of available capital resources to cover 75% of MCR	38	3089871	3506468

Enhanced capital requirement

With-profits insurance capital component	39	1844492	1640008
Enhanced capital requirement	40	2226891	2040170

Capital resources requirement (CRR)

Capital resources requirement (greater of 36 and 40)	41	2226891	2040170
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	1149779	1766419

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51	300000	
--	-----------	--------	--

Covering sheet to Form 2

Form 2

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

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

..... **P. L. H. Maso Y Guell Rivet** **Director**

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

London

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

	Company registration number	GL/UK/CM	day	month	year	units	
	R3	3291349	GL	31	12	2007	£000
	General insurance business	Long-term insurance business	Total as at the end of this financial year			Total as at the end of the previous year	
	1	2	3			4	

Core tier one capital

Permanent share capital	11		92500	92500	92500
Profit and loss account and other reserves	12		2524930	2524930	1726070
Share premium account	13				
Positive valuation differences	14		2226810	2226810	1445205
Fund for future appropriations	15		1104030	1104030	1426770
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19		5948270	5948270	4690545

Tier one waivers

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

Other tier one capital

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

Total tier one capital before deductions (19+24+25+26+27+28)	31		5948270	5948270	4690545
Investments in own shares	32				
Intangible assets	33				981
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37				981
Total tier one capital after deductions (31-37)	39		5948270	5948270	4689564

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

	Company registration number	GL/UK/CM	day	month	year	units	
	R3	3291349	GL	31	12	2007	£000
	General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year			
	1	2	3	4			

Tier two capital

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

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

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

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

	Company registration number	GL/UK/CM	day	month	year	units	
	R3	3291349	GL	31	12	2007	£000
	General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year			
	1	2	3	4			

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71					
Total capital resources before deductions (39+69+71)	72		5948270	5948270	4689564	
Inadmissible assets other than intangibles and own shares	73		1277683	1277683	528292	
Assets in excess of market risk and counterparty limits	74		1293917	1293917	354683	
Deductions for related ancillary services undertakings	75					
Deductions for regulated non-insurance related undertakings	76					
Deductions of ineligible surplus capital	77					
Total capital resources after deductions (72-73-74-75-76-77)	79		3376670	3376670	3806589	

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81		3376670	3376670	3806589	
Available capital resources for 50% MCR requirement	82		3376670	3376670	3806589	
Available capital resources for 75% MCR requirement	83		3376670	3376670	3806589	

Financial engineering adjustments

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

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

Form 11

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

Long Term Insurance Business

	Company registration number	GL/UK/CM	day	month	year	units	
	R11	3291349	GL	31	12	2007	£000
				This financial year		Previous year	
				1		2	
Gross premiums written			11		27614		
Premiums taxes and levies (included in line 11)			12				
Premiums written net of taxes and levies (11-12)			13		27614		
Premiums for classes 11, 12 or 13 (included in line 13)			14				
Premiums for "actuarial health insurance" (included in line 13)			15		16827		
Sub-total A (13 + 1/2 14 - 2/3 15)			16		16396		
Gross premiums earned			21		37913		
Premium taxes and levies (included in line 21)			22				
Premiums earned net of taxes and levies (21-22)			23		37913		
Premiums for classes 11, 12 or 13 (included in line 23)			24				
Premiums for "actuarial health insurance" (included in line 23)			25		19928		
Sub-total H (23 + 1/2 24 - 2/3 25)			26		24628		
Sub-total I (higher of sub-total A and sub-total H)			30		24628		
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure			31				
Division of gross adjusted premiums amount: sub-total I (or adjusted sub-total I if appropriate)	x 0.18		32		4433		
	Excess (if any) over 53.1M EURO x 0.02		33				
Sub-total J (32-33)			34		4433		
Claims paid in period of 3 financial years			41		106686		
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis		42				
	For insurance business accounted for on an accident year basis		43		124610		
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis		44				
	For insurance business accounted for on an accident year basis		45		151665		
Sub-total C (41+42+43-44-45)			46		79631		
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			47		28539		
Sub-total D (46-47)			48		51092		
Reinsurance ratio (Sub-total D / sub-total C or, if more, 0.50 or, if less, 1.00)			49		0.64		
Premiums amount (Sub-total J x reinsurance ratio)			50		2844		
Provisions for claims outstanding (before discounting and net of reinsurance)			51		82831		81276
Provisions for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero			52				
Brought forward amount (see instruction 4)			53		5466		
Greater of lines 50 and 53			54		5466		

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

Long Term Insurance Business

		Company registration number	GL/ UK/ CM	day	month	year	units	
		R12	3291349	GL	31	12	2007	£000
				This financial year		Previous year		
				1		2		
Reference period (No. of months) See <i>INSPRU</i> 1.1.63R		11		36				
Claims paid in reference period		21		106686				
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis	22						
	For insurance business accounted for on an accident year basis	23		124610				
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis	24						
	For insurance business accounted for on an accident year basis	25		151665				
Claims incurred in reference period (21+22+23-24-25)		26		79631				
Claims incurred for classes 11, 12 or 13 (included in 26)		27						
Claims incurred for "actuarial health insurance" (included in 26)		28		54868				
Sub-total E (26 + 1/2 27 - 2/3 28)		29		43052				
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in reference period)		31		14351				
Division of sub-total F (gross adjusted claims amount)	X 0.26	32		3731				
	Excess (if any) over 37.2M EURO x 0.03	33						
Sub-total G (32 - 33)		39		3731				
Claims amount Sub-total G x reinsurance ratio (11.49)		41		2394				
Higher of premiums amount and brought forward amount (11.54)		42		5466				
General insurance capital requirement (higher of lines 41 and 42)		43		5466		5466		

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

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

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	1
						As at end of this financial year		As at end of the previous year
						1		2
Land and buildings			11					

Investments in group undertakings and participating interests

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

Other financial investments

Equity shares	41		
Other shares and other variable yield participations	42		
Holdings in collective investment schemes	43		
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	
	Other	46	
Variable interest securities	Approved	47	
	Other	48	
Participation in investment pools	49		
Loans secured by mortgages	50		
Loans to public or local authorities and nationalised industries or undertakings	51		
Loans secured by policies of insurance issued by the company	52		
Other loans	53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	2200
	More than one month withdrawal	55	150
Other financial investments	56		

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

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

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	1
						As at end of this financial year	As at end of the previous year	
						1	2	
Deposits with ceding undertakings						57		
Assets held to match linked liabilities	Index linked					58		
	Property linked					59		

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

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

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	31471	19589
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
---	-----------	--	--

Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	38725	19739
---	-----------	-------	-------

Analysis of admissible assets

**Form 13
(Sheet 3)**

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

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

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	1
						As at end of this financial year	As at end of the previous year	
						1	2	

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

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	38725	19739
Admissible assets in excess of market and counterparty limits	92	439709	174378
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related insurance undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		981
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	478434	195098
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

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

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	10
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings				11		1075205		1287393

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			403569	395539
	debts and loans	28			193274	208764
Participating interests	shares	29				
	debts and loans	30				

Other financial investments

Equity shares	41		3934077	4344103
Other shares and other variable yield participations	42		247998	216965
Holdings in collective investment schemes	43		318010	383215
Rights under derivative contracts	44		67405	81081
Fixed interest securities	Approved	45	774188	1474857
	Other	46	1634117	2414716
Variable interest securities	Approved	47	52793	4088
	Other	48	872708	1087582
Participation in investment pools	49			
Loans secured by mortgages	50		22787	101078
Loans to public or local authorities and nationalised industries or undertakings	51			11674
Loans secured by policies of insurance issued by the company	52		13337	13950
Other loans	53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	909642	489850
	More than one month withdrawal	55	65108	50000
Other financial investments	56			

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

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

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	10
						As at end of this financial year	As at end of the previous year	
						1	2	
Deposits with ceding undertakings			57					
Assets held to match linked liabilities	Index linked		58		170499		116706	
	Property linked		59		30344057		135747	

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	16337	1747
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74	2498	
	Ceded	75		40852
Dependants	Due in 12 months or less	76	132	11636
	Due in more than 12 months	77		
Other	Due in 12 months or less	78	60970	109866
	Due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	224345	8763
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	68323	88090
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	7576	

Deductions from the aggregate value of assets	87		
---	-----------	--	--

Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	41478955	13078262
---	-----------	----------	----------

Analysis of admissible assets

**Form 13
(Sheet 3)**

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

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

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	10
						As at end of this financial year	As at end of the previous year	
						1	2	

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

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	41478955	13078262
Admissible assets in excess of market and counterparty limits	92	854208	180305
Inadmissible assets directly held	93	67558	
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related insurance undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99	1247309	431514
Reinsurers' share of technical provisions excluded from line 89	100	1584594	12083823
Other asset adjustments (may be negative)	101	(238789)	5140538
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	44993835	30914442
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 Category of assets **Old With Profits Fund**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	11
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings						11	196870	226909

Investments in group undertakings and participating interests

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

Other financial investments

Equity shares	41	720329	762165	
Other shares and other variable yield participations	42	45409	38241	
Holdings in collective investment schemes	43	56695	67544	
Rights under derivative contracts	44	12536	12855	
Fixed interest securities	Approved	45	131187	151116
	Other	46	218663	271844
Variable interest securities	Approved	47	9772	95
	Other	48	140942	114560
Participation in investment pools	49			
Loans secured by mortgages	50	2123	254	
Loans to public or local authorities and nationalised industries or undertakings	51		27	
Loans secured by policies of insurance issued by the company	52	1587	2459	
Other loans	53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	96121	85427
	More than one month withdrawal	55	6880	8720
Other financial investments	56			

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 Category of assets **Old With Profits Fund**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	11
						As at end of this financial year	As at end of the previous year	
						1	2	
Deposits with ceding undertakings			57					
Assets held to match linked liabilities	Index linked		58		2978			2799
	Property linked		59					

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	2075	215
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74	116	
	Ceded	75		4833
Dependants	Due in 12 months or less	76		1463
	Due in more than 12 months	77		
Other	Due in 12 months or less	78	10467	5050
	Due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	16105	1528
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	9625	9756
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
---	-----------	--	--

Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	1680480	1767860
---	-----------	---------	---------

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 Category of assets **Old With Profits Fund**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	11
						As at end of this financial year	As at end of the previous year	
						1	2	

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

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	1680480	1767860
Admissible assets in excess of market and counterparty limits	92	460	578
Inadmissible assets directly held	93	8699	
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related insurance undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100	215	226
Other asset adjustments (may be negative)	101	(5226)	8867
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	1684628	1777531
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 Category of assets **New With Profits Fund**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets
	R13	3291349	GL	31	12	2007	£000
				As at end of this financial year			As at end of the previous year
				1			2
Land and buildings				11		878335	1060484

Investments in group undertakings and participating interests

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

Other financial investments

Equity shares	41	3174407	3562056	
Other shares and other variable yield participations	42	202589	178724	
Holdings in collective investment schemes	43	255184	315671	
Rights under derivative contracts	44	54637	60065	
Fixed interest securities	Approved	45	585471	739009
	Other	46	1146630	1288417
Variable interest securities	Approved	47	41237	388
	Other	48	518214	542880
Participation in investment pools	49			
Loans secured by mortgages	50	12691	1189	
Loans to public or local authorities and nationalised industries or undertakings	51		129	
Loans secured by policies of insurance issued by the company	52	7082	11491	
Other loans	53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	404437	403795
	More than one month withdrawal	55	28948	41216
Other financial investments	56			

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 Category of assets **New With Profits Fund**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	12
						As at end of this financial year	As at end of the previous year	
						1	2	
Deposits with ceding undertakings			57					
Assets held to match linked liabilities	Index linked		58			12755		11750
	Property linked		59					

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	10830	1230
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74	605	
	Ceded	75		27426
Dependants	Due in 12 months or less	76		8323
	Due in more than 12 months	77		
Other	Due in 12 months or less	78	42100	48236
	Due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	79986	7223
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	44000	46444
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
---	-----------	--	--

Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	7500138	8356146
---	-----------	---------	---------

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 Category of assets **New With Profits Fund**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	12
						As at end of this financial year	As at end of the previous year	
						1	2	

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

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	7500138	8356146
Admissible assets in excess of market and counterparty limits	92	2435	5364
Inadmissible assets directly held	93	54451	
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related insurance undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100	255	326
Other asset adjustments (may be negative)	101	(21682)	54858
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	7535597	8416694
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 Category of assets **Non Profit Fund One**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	13
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings				11				

Investments in group undertakings and participating interests

UK insurance dependants	shares	21				
	debts and loans	22				
Other insurance dependants	shares	23				
	debts and loans	24				
Non-insurance dependants	shares	25				
	debts and loans	26				
Other group undertakings	shares	27			403569	395539
	debts and loans	28			193274	208764
Participating interests	shares	29				
	debts and loans	30				

Other financial investments

Equity shares	41		39341	19882
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43		6131	
Rights under derivative contracts	44		120	8161
Fixed interest securities	Approved	45	37644	237805
	Other	46	71375	363792
Variable interest securities	Approved	47		174
	Other	48	213552	185383
Participation in investment pools	49			
Loans secured by mortgages	50		7973	39478
Loans to public or local authorities and nationalised industries or undertakings	51			4564
Loans secured by policies of insurance issued by the company	52		4668	
Other loans	53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	323646	484
	More than one month withdrawal	55	23165	49
Other financial investments	56			

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 Category of assets **Non Profit Fund One**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	13
						As at end of this financial year	As at end of the previous year	
						1	2	
Deposits with ceding undertakings			57					
Assets held to match linked liabilities	Index linked		58	246		498		
	Property linked		59	14735689		135352		

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	588	59
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74	1444	
	Ceded	75		2056
Dependants	Due in 12 months or less	76	132	280
	Due in more than 12 months	77		
Other	Due in 12 months or less	78	7933	25295
	Due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	61341	9
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	8900	14166
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	1553	

Deductions from the aggregate value of assets	87		
---	-----------	--	--

Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	16142284	1641790
---	-----------	----------	---------

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 Category of assets **Non Profit Fund One**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	13
						As at end of this financial year	As at end of the previous year	
						1	2	

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

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	16142284	1641790
Admissible assets in excess of market and counterparty limits	92	849782	170985
Inadmissible assets directly held	93	1844	
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related insurance undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99	682703	82051
Reinsurers' share of technical provisions excluded from line 89	100	83574	7795362
Other asset adjustments (may be negative)	101	(157448)	1356274
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	17602739	11046462
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 Category of assets **Non Profit Fund Two**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	14
						As at end of this financial year	As at end of the previous year	
						1	2	
Land and buildings								
				11				

Investments in group undertakings and participating interests

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

Other financial investments

Equity shares	41			
Other shares and other variable yield participations	42			
Holdings in collective investment schemes	43			
Rights under derivative contracts	44	112		
Fixed interest securities	Approved	45	19886	346927
	Other	46	197449	490663
Variable interest securities	Approved	47	1784	3431
	Other	48		244759
Participation in investment pools	49			
Loans secured by mortgages	50		60157	
Loans to public or local authorities and nationalised industries or undertakings	51		6954	
Loans secured by policies of insurance issued by the company	52			
Other loans	53			
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	85438	144
	More than one month withdrawal	55	6115	15
Other financial investments	56			

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 Category of assets **Non Profit Fund Two**

	Company registration number	GL/UK/CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	14
						As at end of this financial year	As at end of the previous year	
						1	2	
Deposits with ceding undertakings			57					
Assets held to match linked liabilities	Index linked		58		154520			101659
	Property linked		59		15608368			395

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	2844	243
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74	333	
	Ceded	75		6537
Dependants	Due in 12 months or less	76		1570
	Due in more than 12 months	77		
Other	Due in 12 months or less	78	470	31285
	Due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	66913	3
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	5798	17724
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	6023	

Deductions from the aggregate value of assets	87		
---	-----------	--	--

Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	16156053	1312466
---	-----------	----------	---------

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 Category of assets **Non Profit Fund Two**

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
	R13	3291349	GL	31	12	2007	£000	14
						As at end of this financial year	As at end of the previous year	
						1	2	

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

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	16156053	1312466
Admissible assets in excess of market and counterparty limits	92	1530	3378
Inadmissible assets directly held	93	2564	
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related insurance undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99	564606	349463
Reinsurers' share of technical provisions excluded from line 89	100	1500550	4287909
Other asset adjustments (may be negative)	101	(54433)	3720539
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	18170870	9673755
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Long-term insurance business liabilities and margins
Form 14

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

Fund **Total Long-Term Insurance Business**

Units **£000**

		As at the end of this financial year	As at the end of the previous year
		1	2
Mathematical reserves, after distribution of surplus	11	37055002	8678650
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12	45	13
Balance of surplus / (valuation deficit)	13		(106239)
Long term insurance business fund carried forward (11 to 13)	14	37055047	8572424
Claims outstanding	Gross amount	15	134966
	Reinsurers' share	16	
	Net (15-16)	17	134966
Provisions	Taxation	21	100125
	Other risks and charges	22	
Deposits received from reinsurers	23		
Creditors	Direct insurance business	31	105513
	Reinsurance accepted	32	
	Reinsurance ceded	33	52833
Debenture loans	Secured	34	
	Unsecured	35	
Amounts owed to credit institutions	36		
Creditors	Taxation	37	99067
	Other	38	427030
Accruals and deferred income	39	39633	13903
Provision for "reasonably foreseeable adverse variations"	41		
Total other insurance and non-insurance liabilities (17 to 41)	49	959167	492229
Excess of the value of net admissible assets	51	3464741	4013609
Total liabilities and margins	59	41478955	13078262
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	25049	8740
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62	30344057	135747
Total liabilities (11+12+49)	71	38014214	9170892
Increase to liabilities – DAC related	72	148752	16410
Reinsurers' share of technical provisions	73	1584594	12083823
Other adjustments to liabilities (may be negative)	74	1876451	6472555
Capital and reserves and fund for future appropriations	75	3369824	3170762
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	76	44993835	30914442

Long-term insurance business liabilities and margins
Form 14

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

Fund **Old With Profits Fund**

Units **£000**

		As at the end of this financial year	As at the end of the previous year
		1	2
Mathematical reserves, after distribution of surplus	11	1030284	1069385
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12		
Balance of surplus / (valuation deficit)	13		
Long term insurance business fund carried forward (11 to 13)	14	1030284	1069385
Claims outstanding	Gross amount	15	15918
	Reinsurers' share	16	
	Net (15-16)	17	15918
Provisions	Taxation	21	18301
	Other risks and charges	22	
Deposits received from reinsurers	23		
Creditors	Direct insurance business	31	13118
	Reinsurance accepted	32	
	Reinsurance ceded	33	581
Debenture loans	Secured	34	
	Unsecured	35	
Amounts owed to credit institutions	36		
Creditors	Taxation	37	73
	Other	38	10698
Accruals and deferred income	39	1875	1713
Provision for "reasonably foreseeable adverse variations"	41		
Total other insurance and non-insurance liabilities (17 to 41)	49	60564	61082
Excess of the value of net admissible assets	51	589632	637393
Total liabilities and margins	59	1680480	1767860
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	529	902
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62		
Total liabilities (11+12+49)	71	1090848	1130467
Increase to liabilities – DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	76		

Long-term insurance business liabilities and margins
Form 14

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

Fund **New With Profits Fund**

Units **£000**

		As at the end of this financial year	As at the end of the previous year
		1	2
Mathematical reserves, after distribution of surplus	11	5297975	6076900
Cash bonuses which had not been paid to policyholders prior to end of the financial year	12	45	13
Balance of surplus / (valuation deficit)	13		
Long term insurance business fund carried forward (11 to 13)	14	5298020	6076913
Claims outstanding	Gross amount	15	80529
	Reinsurers' share	16	
	Net (15-16)	17	80529
Provisions	Taxation	21	77996
	Other risks and charges	22	120314
Deposits received from reinsurers	23		
Creditors	Direct insurance business	31	73547
	Reinsurance accepted	32	
	Reinsurance ceded	33	3162
Debenture loans	Secured	34	
	Unsecured	35	
Amounts owed to credit institutions	36		
Creditors	Taxation	37	384
	Other	38	81989
Accruals and deferred income	39	9641	9735
Provision for "reasonably foreseeable adverse variations"	41		
Total other insurance and non-insurance liabilities (17 to 41)	49	327248	330049
Excess of the value of net admissible assets	51	1874870	1949184
Total liabilities and margins	59	7500138	8356146
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	61	2891	5551
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	62		
Total liabilities (11+12+49)	71	5625268	6406962
Increase to liabilities – DAC related	72		
Reinsurers' share of technical provisions	73		
Other adjustments to liabilities (may be negative)	74		
Capital and reserves and fund for future appropriations	75		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	76		

Long-term insurance business liabilities and margins
Form 14

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

Fund **Non Profit Fund One**

Units **£000**

		As at the end of this financial year	As at the end of the previous year	
		1	2	
Mathematical reserves, after distribution of surplus		11	14738777	289374
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12		
Balance of surplus / (valuation deficit)		13		
Long term insurance business fund carried forward (11 to 13)		14	14738777	289374
Claims outstanding	Gross amount	15	12049	10658
	Reinsurers' share	16		
	Net (15-16)	17	12049	10658
Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers		23		
Creditors	Direct insurance business	31	10068	7166
	Reinsurance accepted	32		
	Reinsurance ceded	33	48072	7714
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions		36		
Creditors	Taxation	37	94831	1346
	Other	38	220410	4277
Accruals and deferred income		39	17838	464
Provision for "reasonably foreseeable adverse variations"		41		
Total other insurance and non-insurance liabilities (17 to 41)		49	403268	31625
Excess of the value of net admissible assets		51	1000239	1320791
Total liabilities and margins		59	16142284	1641790
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	10407	794
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62	14735689	135352
Total liabilities (11+12+49)		71	15142045	320999
Increase to liabilities – DAC related		72		
Reinsurers' share of technical provisions		73		
Other adjustments to liabilities (may be negative)		74		
Capital and reserves and fund for future appropriations		75		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)		76		

Long-term insurance business liabilities and margins
Form 14

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

Fund **Non Profit Fund Two**

Units **£000**

		As at the end of this financial year	As at the end of the previous year	
		1	2	
Mathematical reserves, after distribution of surplus		11	15987966	1242991
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12		
Balance of surplus / (valuation deficit)		13		(106239)
Long term insurance business fund carried forward (11 to 13)		14	15987966	1136752
Claims outstanding	Gross amount	15	26470	21760
	Reinsurers' share	16		
	Net (15-16)	17	26470	21760
Provisions	Taxation	21	3828	10838
	Other risks and charges	22		
Deposits received from reinsurers		23		
Creditors	Direct insurance business	31	8780	15983
	Reinsurance accepted	32		
	Reinsurance ceded	33	1018	7852
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions		36		
Creditors	Taxation	37	3779	3012
	Other	38	113933	8037
Accruals and deferred income		39	10279	1991
Provision for "reasonably foreseeable adverse variations"		41		
Total other insurance and non-insurance liabilities (17 to 41)		49	168087	69473
Excess of the value of net admissible assets		51		106241
Total liabilities and margins		59	16156053	1312466
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	11222	1493
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62	15608368	395
Total liabilities (11+12+49)		71	16156053	1312464
Increase to liabilities – DAC related		72		
Reinsurers' share of technical provisions		73		
Other adjustments to liabilities (may be negative)		74		
Capital and reserves and fund for future appropriations		75		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)		76		

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

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

	Company registration number	GL/UK/CM	day	month	year	units	
	R15	3291349	GL	31	12	2007	£000
					As at the end of this financial year	As at the end of the previous year	
					1	2	

Technical provisions (gross amount)

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

Provisions and creditors

Provisions	Taxation	21			
	Other risks and charges	22			
Deposits received from reinsurers		31			
Creditors	Direct insurance business	41			
	Reinsurance accepted	42			
	Reinsurance ceded	43			
Debenture loans	Secured	44			
	Unsecured	45			
Amounts owed to credit institutions		46			
Creditors	Taxation	47			2924
	Foreseeable dividend	48			
	Other	49		126793	117595
Accruals and deferred income		51		3	
Total (19 to 51)		59		126796	120519
Provision for "reasonably foreseeable adverse variations"		61			
Cumulative preference share capital		62			
Subordinated loan capital		63			
Total (59 to 63)		69		126796	120519

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		120126		115370
---	-----------	--	--------	--	--------

Amounts deducted from technical provisions for discounting	82				
Other adjustments (may be negative)	83				
Capital and reserves	84		351638		74579
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	85		478434		195098

Profit and loss account (non-technical account)
Form 16

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

		Company registration number	GL/ UK/ CM	day	month	year	units	
		R16	3291349	GL	31	12	2007	£000
				This financial year		Previous year		
				1		2		
Transfer (to) / from the general insurance business technical account	From Form 20	11						
	Equalisation provisions	12						
Transfer from the long term insurance business revenue account		13			29736		19193	
Investment income	Income	14			11197		7561	
	Value re-adjustments on investments	15			2361			
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17			4808		5204	
	Value re-adjustments on investments	18					27652	
	Loss on the realisation of investments	19			3141		100	
Allocated investment return transferred to the general insurance business technical account		20						
Other income and charges (particulars to be specified by way of supplementary note)		21			677770			
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29			713115		(6202)	
Tax on profit or loss on ordinary activities		31			227		(1234)	
Profit or loss on ordinary activities after tax (29-31)		39			712888		(4968)	
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41						
Tax on extraordinary profit or loss		42						
Other taxes not shown under the preceding items		43						
Profit or loss for the financial year (39+41-(42+43))		49			712888		(4968)	
Dividends (paid or foreseeable)		51					14600	
Profit or loss retained for the financial year (49-51)		59			712888		(19568)	

Analysis of derivative contracts
Form 17

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

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

		Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
		R17	3291349	GL	31	12	2007	£000	10
Derivative contracts		As at the end of this financial year			As at the end of the previous year				
		Assets		Liabilities		Assets		Liabilities	
		1	2	3	4				
Futures contracts	Fixed-interest securities	11	720	183	179	116			
	Equity shares	12		698	32	1402			
	Land	13							
	Currencies	14	318	3938	11918	66			
	Other	15							
Options	Fixed-interest securities	21	17355		28749				
	Equity shares	22	23		1				
	Land	23							
	Currencies	24							
	Other	25							
Contracts for differences	Fixed-interest securities	31							
	Equity shares	32	49578		40359				
	Land	33							
	Currencies	34							
	Other	35	131	6283	54	2611			
Adjustments for variation margin		41	(720)	(881)	(211)	(1518)			
Total (11 to 41)		49	67405	10221	81081	2677			

Analysis of derivative contracts
Form 17

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 Category of assets **Old With Profits Fund**

		Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
		R17	3291349	GL	31	12	2007	£000	11
Derivative contracts		As at the end of this financial year			As at the end of the previous year				
		Assets		Liabilities		Assets		Liabilities	
		1	2	3	4				
Futures contracts	Fixed-interest securities	11	134	34	27	17			
	Equity shares	12		130	5	210			
	Land	13							
	Currencies	14	16	735	562	8			
	Other	15							
Options	Fixed-interest securities	21	3239		4300				
	Equity shares	22	4						
	Land	23							
	Currencies	24							
	Other	25							
Contracts for differences	Fixed-interest securities	31							
	Equity shares	32	9252		7985				
	Land	33							
	Currencies	34							
	Other	35	25	1172	8	391			
Adjustments for variation margin		41	(134)	(164)	(32)	(227)			
Total (11 to 41)		49	12536	1907	12855	399			

Analysis of derivative contracts
Form 17

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 Category of assets **New With Profits Fund**

		Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
		R17	3291349	GL	31	12	2007	£000	12
Derivative contracts		As at the end of this financial year				As at the end of the previous year			
		Assets		Liabilities		Assets		Liabilities	
		1	2	3	4				
Futures contracts	Fixed-interest securities	11	586	149	152	99			
	Equity shares	12		568	27	1192			
	Land	13							
	Currencies	14	70	3203	3195	48			
	Other	15							
Options	Fixed-interest securities	21	14116		24449				
	Equity shares	22	19		1				
	Land	23							
	Currencies	24							
	Other	25							
Contracts for differences	Fixed-interest securities	31							
	Equity shares	32	40326		32374				
	Land	33							
	Currencies	34							
	Other	35	106	5111	46	2220			
Adjustments for variation margin		41	(586)	(717)	(179)	(1291)			
Total (11 to 41)		49	54637	8314	60065	2268			

Analysis of derivative contracts

Form 17

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

Category of assets **Non Profit Fund One**

		Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
		R17	3291349	GL	31	12	2007	£000	13
Derivative contracts		As at the end of this financial year			As at the end of the previous year				
		Assets 1	Liabilities 2	Assets 3	Liabilities 4				
Futures contracts	Fixed-interest securities	11							
	Equity shares	12							
	Land	13							
	Currencies	14	120			8161		2	
	Other	15							
Options	Fixed-interest securities	21							
	Equity shares	22							
	Land	23							
	Currencies	24							
	Other	25							
Contracts for differences	Fixed-interest securities	31							
	Equity shares	32							
	Land	33							
	Currencies	34							
	Other	35							
Adjustments for variation margin		41							
Total (11 to 41)		49	120			8161		2	

Analysis of derivative contracts

Form 17

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

Category of assets **Non Profit Fund Two**

		Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets	
		R17	3291349	GL	31	12	2007	£000	14
Derivative contracts		As at the end of this financial year			As at the end of the previous year				
		Assets 1	Liabilities 2	Assets 3	Liabilities 4				
Futures contracts	Fixed-interest securities	11							
	Equity shares	12							
	Land	13							
	Currencies	14	112					8	
	Other	15							
Options	Fixed-interest securities	21							
	Equity shares	22							
	Land	23							
	Currencies	24							
	Other	25							
Contracts for differences	Fixed-interest securities	31							
	Equity shares	32							
	Land	33							
	Currencies	34							
	Other	35							
Adjustments for variation margin		41							
Total (11 to 41)		49	112					8	

With-profits insurance capital component for the fund
Form 18

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

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

Units **£000**

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

Regulatory excess capital

Regulatory value of assets	Long-term admissible assets of the fund	11	1680480	1767860
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13	76199	60311
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14	2752	2545
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		
	Total (11+12-(13+14+15))	19	1601529	1705004
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profit insurance contracts	21	954086	1009074
	Regulatory current liabilities of the fund	22	60564	61082
	Total (21+22)	29	1014650	1070156
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31	34126	40865
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	1048776	1111021
Regulatory excess capital (19-39)		49	552753	593983

Realistic excess capital

Realistic excess capital	51	218683	314631
--------------------------	-----------	--------	--------

Excess assets allocated to with-profits insurance business

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	61	334070	279352
Face amount of capital instruments attributed to the fund and included in the capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in the capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64	32017	34233
Present value of other future internal transfers not already taken into account	65		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero; else greater of 61-64-65 and zero)	66	302053	245119

With-profits insurance capital component for the fund
Form 18

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

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

Units **£000**

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

Regulatory excess capital

Regulatory value of assets	Long-term admissible assets of the fund	11	7500135	8356146
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13	449563	344370
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14	16351	14707
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		
	Total (11+12-(13+14+15))	19	7034221	7997069
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profit insurance contracts	21	4848411	5732530
	Regulatory current liabilities of the fund	22	327293	330062
	Total (21+22)	29	5175704	6062592
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31	172824	231655
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39	5348528	6294247
Regulatory excess capital (19-39)		49	1685693	1702822

Realistic excess capital

Realistic excess capital	51	(19871)	128297
--------------------------	----	---------	--------

Excess assets allocated to with-profits insurance business

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	61	1705564	1574525
Face amount of capital instruments attributed to the fund and included in the capital resources (unstressed)	62		
Realistic amount of capital instruments attributed to the fund and included in the capital resources (stressed)	63		
Present value of future shareholder transfers arising from distribution of surplus	64	163125	179636
Present value of other future internal transfers not already taken into account	65		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero; else greater of 61-64-65 and zero)	66	1542439	1394889

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

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

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

Units **£000**

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

Realistic value of assets available to the fund

Regulatory value of assets	11	1601528	1705004
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in the fund (regulatory)	13		
Excess admissible assets	21	461	578
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	9664	8997
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23	929	1305
Value of shares in subsidiaries held in the fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of the fund (11+21+22+23+24+25-(12+13))	26	1612582	1715884
Support arrangement assets	27		
Assets available to the fund (26+27)	29	1612582	1715884

Realistic value of liabilities of fund

With-profits benefits reserve	31	938216	1015119	
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32		
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	182209	157842
	Planned deductions for the cost of guarantees, options and smoothing from with-profits benefits reserve	35		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36		
	Future costs of contractual guarantees (other than financial options)	41	55500	50463
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	52174	39490
	Future costs of smoothing (possibly negative)	44	(21673)	(40153)
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	39563	40991
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	307773	248633	
Realistic current liabilities of the fund	51	69737	72327	
Realistic value of liabilities of the fund (31+49+51)	59	1315726	1336079	

Realistic balance sheet**Form 19
(Sheet 2)**

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

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

Units **£000**

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

Realistic excess capital and additional capital available

Value of relevant assets before applying the most adverse scenario other than present value of future profits arising from business outside with-profits funds	62	1393899	1401253
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	63		
Value of relevant assets before applying the most adverse scenario (62+ 63)	64	1393899	1401253
Risk capital margin for fund (62-59)	65	78173	65174
Realistic excess capital for fund (26-(59+65))	66	218683	314631
Realistic excess available capital for fund (29-(59+65))	67	218683	314631
Working capital for for fund (29-59)	68	296856	379805
Working capital ratio for fund (68/29)	69	18.41	22.13

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

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

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

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

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

Units **£000**

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

Realistic value of assets available to the fund

Regulatory value of assets	11	7034220	7997069
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in the fund (regulatory)	13		
Excess admissible assets	21	2435	5364
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22	62169	57520
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23	4049	6106
Value of shares in subsidiaries held in the fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of the fund (11+21+22+23+24+25-(12+13))	26	7102873	8066059
Support arrangement assets	27	1504176	1436463
Assets available to the fund (26+27)	29	8607049	9502522

Realistic value of liabilities of fund

With-profits benefits reserve	31	4894127	5835217	
Future policy related liabilities	Past miscellaneous surplus attributed to with-profits benefits reserve	32		
	Past miscellaneous deficit attributed to with-profits benefits reserve	33		
	Planned enhancements to with-profits benefits reserve	34	926748	851990
	Planned deductions for the cost of guarantees, options and smoothing from with-profits benefits reserve	35		
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36		
	Future costs of contractual guarantees (other than financial options)	41	218273	209450
	Future costs of non-contractual commitments	42		
	Future costs of financial options	43	222223	191647
	Future costs of smoothing (possibly negative)	44	(119350)	(202308)
	Financing costs	45		
	Any other liabilities related to regulatory duty to treat customers fairly	46		
	Other long-term insurance liabilities	47	238741	257184
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49	1486635	1307963	
Realistic current liabilities of the fund	51	327293	330062	
Realistic value of liabilities of the fund (31+49+51)	59	6708055	7473242	

Realistic balance sheet**Form 19
(Sheet 2)**

Name of insurer **AXA Sun Life Plc**

Global business

Financial year ended **31st December 2007**

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

Units **£000**

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

Realistic excess capital and additional capital available

Value of relevant assets before applying the most adverse scenario other than present value of future profits arising from business outside with-profits funds	62	7122744	7937762
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	63		
Value of relevant assets before applying the most adverse scenario (62+ 63)	64	7122744	7937762
Risk capital margin for fund (62-59)	65	414689	464520
Realistic excess capital for fund (26-(59+65))	66	(19871)	128297
Realistic excess available capital for fund (29-(59+65))	67	1484305	1564760
Working capital for for fund (29-59)	68	1898994	2029280
Working capital ratio for fund (68/29)	69	22.06	21.36

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

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

Long-term insurance business: Revenue account

Form 40

Name of insurer **AXA Sun Life Plc**
 Name and number of fund/Summary **Total Long-Term Insurance Business**
 Financial year ended **31st December 2007**
 Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11	3145510	724343
Investment income receivable before deduction of tax	12	1720930	611194
Increase (decrease) in the value of non-linked assets brought into account	13	(111681)	(143116)
Increase (decrease) in the value of linked assets	14	542455	20146
Other income	15	300000	
Total income	19	5597214	1212567

Expenditure

Claims incurred	21	5802505	1612490
Expenses payable	22	675670	355031
Interest payable before deduction of tax	23	6867	3995
Taxation	24	65260	91850
Other expenditure	25		
Transfer to (from) non technical account	26	29736	19193
Total expenditure	29	6580038	2082559

Business transfers-in	31	29465447	
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	28482623	(869992)
Fund brought forward	49	8572424	9442416
Fund carried forward (39+49)	59	37055047	8572424

Long-term insurance business: Revenue account

Form 40

Name of insurer **AXA Sun Life Plc**
 Name and number of fund/Summary **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11	62282	66717
Investment income receivable before deduction of tax	12	72196	73889
Increase (decrease) in the value of non-linked assets brought into account	13	59690	(25129)
Increase (decrease) in the value of linked assets	14		
Other income	15		
Total income	19	194168	115477

Expenditure

Claims incurred	21	214299	195460
Expenses payable	22	15504	12215
Interest payable before deduction of tax	23	661	494
Taxation	24	(905)	17750
Other expenditure	25		
Transfer to (from) non technical account	26	3710	2440
Total expenditure	29	233269	228359

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(39101)	(112882)
Fund brought forward	49	1069385	1182267
Fund carried forward (39+49)	59	1030284	1069385

Long-term insurance business: Revenue account

Form 40

Name of insurer **AXA Sun Life Plc**
 Name and number of fund/Summary **New With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

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

Income

Earned premiums	11	309626	333669
Investment income receivable before deduction of tax	12	335535	390323
Increase (decrease) in the value of non-linked assets brought into account	13	122853	(114272)
Increase (decrease) in the value of linked assets	14		
Other income	15		
Total income	19	768014	609720

Expenditure

Claims incurred	21	1436739	1287239
Expenses payable	22	74966	61736
Interest payable before deduction of tax	23	3653	2850
Taxation	24	5523	48968
Other expenditure	25		
Transfer to (from) non technical account	26	26026	16753
Total expenditure	29	1546907	1417546

Business transfers-in	31		
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(778893)	(807826)
Fund brought forward	49	6076913	6884739
Fund carried forward (39+49)	59	5298020	6076913

Long-term insurance business: Revenue account

Form 40

Name of insurer **AXA Sun Life Plc**
 Name and number of fund/Summary **Non Profit Fund One**
 Financial year ended **31st December 2007**
 Units **£000**

	Financial year	Previous year
	1	2

Income

Earned premiums	11	1650329	144806
Investment income receivable before deduction of tax	12	679412	103241
Increase (decrease) in the value of non-linked assets brought into account	13	(372257)	(77363)
Increase (decrease) in the value of linked assets	14	208332	20088
Other income	15	193761	
Total income	19	2359577	190772

Expenditure

Claims incurred	21	1506717	43879
Expenses payable	22	329097	137197
Interest payable before deduction of tax	23	757	129
Taxation	24	58859	18465
Other expenditure	25		
Transfer to (from) non technical account	26		
Total expenditure	29	1895430	199670

Business transfers-in	31	13985256	
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	14449403	(8898)
Fund brought forward	49	289374	298272
Fund carried forward (39+49)	59	14738777	289374

Long-term insurance business: Revenue account

Form 40

Name of insurer **AXA Sun Life Plc**
 Name and number of fund/Summary **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

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

Income

Earned premiums	11	1123273	179151
Investment income receivable before deduction of tax	12	633787	43741
Increase (decrease) in the value of non-linked assets brought into account	13	78033	73648
Increase (decrease) in the value of linked assets	14	334123	58
Other income	15	106239	
Total income	19	2275455	296598

Expenditure

Claims incurred	21	2644750	85912
Expenses payable	22	256103	143883
Interest payable before deduction of tax	23	1796	522
Taxation	24	1783	6667
Other expenditure	25		
Transfer to (from) non technical account	26		
Total expenditure	29	2904432	236984

Business transfers-in	31	15480191	
Business transfers-out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	14851214	59614
Fund brought forward	49	1136752	1077138
Fund carried forward (39+49)	59	15987966	1136752

Long-term insurance business: Analysis of premiums

Form 41

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Total Long-Term Insurance Business**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Regular premiums	11	440275	799142	2028	1241445	907352
Single premiums	12	1502679	1641538	23	3144240	2999430

Reinsurance - external

Regular premiums	13	28828	59	23	28910	16724
Single premiums	14		117932		117932	

Reinsurance - intra-group

Regular premiums	15	(89)	(27)		(116)	488162
Single premiums	16	(17176)	1110625		1093449	2677553

Net of reinsurance

Regular premiums	17	411536	799110	2005	1212651	402466
Single premiums	18	1519855	412981	23	1932859	321877

Total

Gross	19	1942954	2440680	2051	4385685	3906782
Reinsurance	20	11563	1228589	23	1240175	3182439
Net	21	1931391	1212091	2028	3145510	724343

Long-term insurance business: Analysis of premiums

Form 41

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Regular premiums	11	39177	5783	90	45050	49273
Single premiums	12	20	17331		17351	17527

Reinsurance - external

Regular premiums	13	117		2	119	83
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17	39060	5783	88	44931	49190
Single premiums	18	20	17331		17351	17527

Total

Gross	19	39197	23114	90	62401	66800
Reinsurance	20	117		2	119	83
Net	21	39080	23114	88	62282	66717

Long-term insurance business: Analysis of premiums

Form 41

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Regular premiums	11	190837	45520	1573	237930	262211
Single premiums	12	854	71753	(16)	72591	72093

Reinsurance - external

Regular premiums	13	871		24	895	635
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17	189966	45520	1549	237035	261576
Single premiums	18	854	71753	(16)	72591	72093

Total

Gross	19	191691	117273	1557	310521	334304
Reinsurance	20	871		24	895	635
Net	21	190820	117273	1533	309626	333669

Long-term insurance business: Analysis of premiums

Form 41

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund One**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Regular premiums	11	188677		188677	136493
Single premiums	12	1462972		1462972	1542449

Reinsurance - external

Regular premiums	13	20521		20521	15328
Single premiums	14				

Reinsurance - intra-group

Regular premiums	15	(89)		(89)	49686
Single premiums	16	(19112)		(19112)	1469122

Net of reinsurance

Regular premiums	17	168245		168245	71479
Single premiums	18	1482084		1482084	73327

Total

Gross	19	1651649		1651649	1678942
Reinsurance	20	1320		1320	1534136
Net	21	1650329		1650329	144806

Long-term insurance business: Analysis of premiums

Form 41

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Regular premiums	11	21584	747839	365	769788	459375
Single premiums	12	38833	1552454	39	1591326	1367361

Reinsurance - external

Regular premiums	13	7319	59	(3)	7375	678
Single premiums	14		117932		117932	

Reinsurance - intra-group

Regular premiums	15		(27)		(27)	438476
Single premiums	16	1936	1110625		1112561	1208431

Net of reinsurance

Regular premiums	17	14265	747807	368	762440	20221
Single premiums	18	36897	323897	39	360833	158930

Total

Gross	19	60417	2300293	404	2361114	1826736
Reinsurance	20	9255	1228589	(3)	1237841	1647585
Net	21	51162	1071704	407	1123273	179151

Long-term insurance business: Analysis of claims

Form 42

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Total Long-Term Insurance Business**
 Financial year ended **31st December 2007**
 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	326040	48920	532	375492	270944
Disability periodic payments	12	458331	408906	124	867361	6243
Surrender or partial surrender	13	1638810	2331833	156802	4127445	2865386
Annuity payments	14	1120	99564	425	101109	89823
Lump sums on maturity	15	140572	202163	1631	344366	300171
Total	16	2564873	3091386	159514	5815773	3532567

Reinsurance - external

Death or disability lump sums	21	5694			5694	4946
Disability periodic payments	22	5319			5319	1038
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
Total	26	11013			11013	5984

Reinsurance - intra-group

Death or disability lump sums	31					134227
Disability periodic payments	32	1767	122	5	1894	153
Surrender or partial surrender	33		271		271	1655739
Annuity payments	34					
Lump sums on maturity	35		90		90	123974
Total	36	1767	483	5	2255	1914093

Net of reinsurance

Death or disability lump sums	41	320346	48920	532	369798	131771
Disability periodic payments	42	451245	408784	119	860148	5052
Surrender or partial surrender	43	1638810	2331562	156802	4127174	1209647
Annuity payments	44	1120	99564	425	101109	89823
Lump sums on maturity	45	140572	202073	1631	344276	176197
Total	46	2552093	3090903	159509	5802505	1612490

Long-term insurance business: Analysis of claims

Form 42

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 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	13458	1211	13	14682	10560
Disability periodic payments	12					
Surrender or partial surrender	13	112518	49169	19535	181222	169005
Annuity payments	14	2	2471	8	2481	1900
Lump sums on maturity	15	10047	6256	46	16349	13995
Total	16	136025	59107	19602	214734	195460

Reinsurance - external

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

Reinsurance - intra-group

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

Net of reinsurance

Death or disability lump sums	41	13023	1211	13	14247	10560
Disability periodic payments	42					
Surrender or partial surrender	43	112518	49169	19535	181222	169005
Annuity payments	44	2	2471	8	2481	1900
Lump sums on maturity	45	10047	6256	46	16349	13995
Total	46	135590	59107	19602	214299	195460

Long-term insurance business: Analysis of claims

Form 42

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 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	81137	5255	519	86911	94485
Disability periodic payments	12					
Surrender or partial surrender	13	671577	349718	137267	1158562	1021190
Annuity payments	14	11	18844	14	18869	15211
Lump sums on maturity	15	116662	54374	1585	172621	156353
Total	16	869387	428191	139385	1436963	1287239

Reinsurance - external

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

Reinsurance - intra-group

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

Net of reinsurance

Death or disability lump sums	41	80913	5255	519	86687	94485
Disability periodic payments	42					
Surrender or partial surrender	43	671577	349718	137267	1158562	1021190
Annuity payments	44	11	18844	14	18869	15211
Lump sums on maturity	45	116662	54374	1585	172621	156353
Total	46	869163	428191	139385	1436739	1287239

Long-term insurance business: Analysis of claims

Form 42

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund One**
 Financial year ended **31st December 2007**
 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	231273		231273	141993
Disability periodic payments	12	417934		417934	152
Surrender or partial surrender	13	848341		848341	598614
Annuity payments	14	1107		1107	1226
Lump sums on maturity	15	13863		13863	13544
Total	16	1512518		1512518	755529

Reinsurance - external

Death or disability lump sums	21	5035		5035	4946
Disability periodic payments	22				
Surrender or partial surrender	23				
Annuity payments	24				
Lump sums on maturity	25				
Total	26	5035		5035	4946

Reinsurance - intra-group

Death or disability lump sums	31				110156
Disability periodic payments	32	766		766	153
Surrender or partial surrender	33				586677
Annuity payments	34				
Lump sums on maturity	35				9718
Total	36	766		766	706704

Net of reinsurance

Death or disability lump sums	41	226238		226238	26891
Disability periodic payments	42	417168		417168	(1)
Surrender or partial surrender	43	848341		848341	11937
Annuity payments	44	1107		1107	1226
Lump sums on maturity	45	13863		13863	3826
Total	46	1506717		1506717	43879

Long-term insurance business: Analysis of claims

Form 42

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 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	172	42454		42626	23906
Disability periodic payments	12	40397	408906	124	449427	6091
Surrender or partial surrender	13	6374	1932946		1939320	1076577
Annuity payments	14		78249	403	78652	71486
Lump sums on maturity	15		141533		141533	116279
Total	16	46943	2604088	527	2651558	1294339

Reinsurance - external

Death or disability lump sums	21					
Disability periodic payments	22	5319			5319	1038
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
Total	26	5319			5319	1038

Reinsurance - intra-group

Death or disability lump sums	31					24071
Disability periodic payments	32	1001	122	5	1128	
Surrender or partial surrender	33		271		271	1069062
Annuity payments	34					
Lump sums on maturity	35		90		90	114256
Total	36	1001	483	5	1489	1207389

Net of reinsurance

Death or disability lump sums	41	172	42454		42626	(165)
Disability periodic payments	42	34077	408784	119	442980	5053
Surrender or partial surrender	43	6374	1932675		1939049	7515
Annuity payments	44		78249	403	78652	71486
Lump sums on maturity	45		141443		141443	2023
Total	46	40623	2603605	522	2644750	85912

Long-term insurance business: Analysis of expenses

Form 43

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Total Long-Term Insurance Business**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Commission - acquisition	11	184174	60527	2021	246722	219112
Commission - other	12	26525	14883	(136)	41272	33314
Management - acquisition	13	86792	107623		194415	163469
Management - maintenance	14	109882	83379		193261	98600
Management - other	15					
Total	16	407373	266412	1885	675670	514495

Reinsurance - external

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

Reinsurance - intra-group

Commission - acquisition	31					75196
Commission - other	32					18615
Management - acquisition	33					52271
Management - maintenance	34					13382
Management - other	35					
Total	36					159464

Net of reinsurance

Commission - acquisition	41	184174	60527	2021	246722	143916
Commission - other	42	26525	14883	(136)	41272	14699
Management - acquisition	43	86792	107623		194415	111198
Management - maintenance	44	109882	83379		193261	85218
Management - other	45					
Total	46	407373	266412	1885	675670	355031

Long-term insurance business: Analysis of expenses

Form 43

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Commission - acquisition	11	685	89	254	1028	2036
Commission - other	12	562	183	2	747	1107
Management - acquisition	13	146	262		408	449
Management - maintenance	14	8992	4329		13321	8623
Management - other	15					
Total	16	10385	4863	256	15504	12215

Reinsurance - external

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

Reinsurance - intra-group

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

Net of reinsurance

Commission - acquisition	41	685	89	254	1028	2036
Commission - other	42	562	183	2	747	1107
Management - acquisition	43	146	262		408	449
Management - maintenance	44	8992	4329		13321	8623
Management - other	45					
Total	46	10385	4863	256	15504	12215

Long-term insurance business: Analysis of expenses

Form 43

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Commission - acquisition	11	4708	738	1767	7213	10690
Commission - other	12	3203	955	(139)	4019	5099
Management - acquisition	13	1018	1679		2697	2853
Management - maintenance	14	44555	16482		61037	43094
Management - other	15					
Total	16	53484	19854	1628	74966	61736

Reinsurance - external

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

Reinsurance - intra-group

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

Net of reinsurance

Commission - acquisition	41	4708	738	1767	7213	10690
Commission - other	42	3203	955	(139)	4019	5099
Management - acquisition	43	1018	1679		2697	2853
Management - maintenance	44	44555	16482		61037	43094
Management - other	45					
Total	46	53484	19854	1628	74966	61736

Long-term insurance business: Analysis of expenses

Form 43

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund One**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Commission - acquisition	11	173164		173164	152061
Commission - other	12	22479		22479	16196
Management - acquisition	13	82031		82031	78004
Management - maintenance	14	51423		51423	29458
Management - other	15				
Total	16	329097		329097	275719

Reinsurance - external

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

Reinsurance - intra-group

Commission - acquisition	31				73367
Commission - other	32				11383
Management - acquisition	33				46156
Management - maintenance	34				7616
Management - other	35				
Total	36				138522

Net of reinsurance

Commission - acquisition	41	173164		173164	78694
Commission - other	42	22479		22479	4813
Management - acquisition	43	82031		82031	31848
Management - maintenance	44	51423		51423	21842
Management - other	45				
Total	46	329097		329097	137197

Long-term insurance business: Analysis of expenses

Form 43

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Commission - acquisition	11	5617	59700		65317	54325
Commission - other	12	281	13745	1	14027	10912
Management - acquisition	13	3597	105682		109279	82163
Management - maintenance	14	4912	62568		67480	17425
Management - other	15					
Total	16	14407	241695	1	256103	164825

Reinsurance - external

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

Reinsurance - intra-group

Commission - acquisition	31					1829
Commission - other	32					7232
Management - acquisition	33					6115
Management - maintenance	34					5766
Management - other	35					
Total	36					20942

Net of reinsurance

Commission - acquisition	41	5617	59700		65317	52496
Commission - other	42	281	13745	1	14027	3680
Management - acquisition	43	3597	105682		109279	76048
Management - maintenance	44	4912	62568		67480	11659
Management - other	45					
Total	46	14407	241695	1	256103	143883

Long-term insurance business: Linked funds balance sheet

Form 44

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2007**

Units **£000**

	Financial year	Previous year
	1	2

Internal linked funds (excluding cross investment)

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

Directly held linked assets

Value of directly held linked assets	21	323965	252453
--------------------------------------	-----------	--------	--------

Total

Value of directly held linked assets and units held (18+21)	31	30333087	252453
Surplus units	32	203359	
Deficit units	33	2988	
Net unit liability (31-32+33)	34	30132716	252453

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

Form 45

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2007**

Units **£000**

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

Income

Value of total creation of units	11	5273853	
Investment income attributable to the funds before deduction of tax	12	1097002	
Increase (decrease) in the value of investments in the financial year	13	555757	
Other income	14	29154351	
Total income	19	36080963	

Expenditure

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

Increase (decrease) in funds in financial year (19-29)	39	30009122	
Internal linked fund brought forward	49		
Internal linked funds carried forward (39+49)	59	30009122	

Long-term insurance business: Summary of new business

Form 46

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2007**

Units **£000**

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

Number of new policyholders / scheme members for direct insurance business

Regular premium business	11	182566	44230	37	226833	192875
Single premium business	12	27374	44328	5	71707	69407
Total	13	209940	88558	42	298540	262282

Amount of new regular premiums

Direct insurance business	21	50074	201573	337	251984	219814
External reinsurance	22					
Intra-group reinsurance	23	1176	15242		16418	
Total	24	51250	216815	337	268402	219814

Amount of new single premiums

Direct insurance business	25	1491417	1513698	224	3005339	2996489
External reinsurance	26					
Intra-group reinsurance	27	11062	127837		138899	2941
Total	28	1502479	1641535	224	3144238	2999430

Long-term insurance business: Analysis of new business

**Form 47
(Sheet 1)**

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2007**

Units **£000**

UK Life / Direct insurance business

Product code number 1	Product description 2	Regular premium business		Single premium business	
		Number of policyholders / scheme members 3	Amount of premiums 4	Number of policyholders / scheme members 5	Amount of premiums 6
120	Conventional endowment with-profits OB savings	3137	752		
300	Regular premium non-profit WL/EA OB	125260	21324		
325	Level term assurance	13385	4000		
330	Decreasing term assurance	8892	2145	76	766
335	Decreasing term assurance (rider benefits)			75	763
340	Accelerated critical illness (guaranteed premiums)	20884	10295		
345	Accelerated critical illness (reviewable premiums)	2444	1533		
350	Stand-alone critical illness (guaranteed premiums)	3149	1590		
355	Stand-alone critical illness (reviewable premiums)	772	407		
360	Income protection non-profit (guaranteed premiums)	2953	1480		
365	Income protection non-profit (reviewable premiums)	279	135		
390	Deferred annuity non-profit			28	954
395	Annuity non-profit (PLA)			227	21831
410	Group Life	3	1		
415	Collective Life				48836
420	Group income protection				4778
500	Life UWP single premium			20	332
505	Life UWP whole life regular premium	32	486		
506	Life UWP whole life regular premium (ISA)	10	17		17
510	Life UWP endowment regular premium - savings	4	89		
515	Life UWP endowment regular premium – target cash	97	237		
575	Miscellaneous UWP		1		4
700	Life property linked single premium			26764	1401918
705	Life property linked single premium quasi index linked			96	2199
710	Life property linked whole life regular premium	1159	4450		
715	Life property linked endowment regular premium - savings	105	449		
720	Life property linked endowment regular premium – target cash	1	9		
795	Miscellaneous property linked		674		
905	Index linked annuity			86	8891
910	Miscellaneous index linked			2	128

Long-term insurance business: Analysis of new business

**Form 47
(Sheet 2)**

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2007**

Units **£000**

UK Life / Reinsurance accepted intra-group

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
500	Life UWP single premium				547
505	Life UWP whole life regular premium		242		
515	Life UWP endowment regular premium – target cash		47		
700	Life property linked single premium				10515
710	Life property linked whole life regular premium		887		

Long-term insurance business: Analysis of new business

**Form 47
(Sheet 3)**

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2007**

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
400	Annuity non-profit (CPA)			10152	186381
410	Group Life	15	2		
411	Group death in service dependants' annuities	4	3		
525	Individual pensions UWP	58	59	11016	14304
530	Individual pensions UWP - increments		1422		7120
535	Group money purchase pensions UWP	397	366	2661	4850
540	Group money purchase pensions UWP - increments		814		9712
555	Group deposit administration with-profits	387	674		
560	Group deposit administration with-profits - increments		624		472
565	DWP National Insurance rebates UWP				1861
570	Income drawdown UWP				1750
575	Miscellaneous UWP			1	75
725	Individual pensions property linked	9569	42520	13942	423295
730	Individual pensions property linked - increments		7708		350672
735	Group money purchase pensions property linked	33728	85818	6036	95821
740	Group money purchase pensions property linked - increments		55313		115108
745	DWP National Insurance rebates property linked				35501
750	Income drawdown property linked				220272
755	Trustee investment plan	71	6233	36	37201
760	Small self administered schemes	1	17	6	521
905	Index linked annuity			478	8782

Long-term insurance business: Analysis of new business

**Form 47
(Sheet 4)**

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2007**

Units **£000**

UK Pension / Reinsurance accepted intra-group

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
525	Individual pensions UWP		8		2345
530	Individual pensions UWP - increments		294		4748
535	Group money purchase pensions UWP		326		138
540	Group money purchase pensions UWP - increments		1322		6596
565	DWP National Insurance rebates UWP				15937
571	Trustee investment plan UWP		3		149
575	Miscellaneous UWP		7		548
725	Individual pensions property linked		71		13851
730	Individual pensions property linked - increments		1480		19483
735	Group money purchase pensions property linked		2283		334
740	Group money purchase pensions property linked - increments		9275		12356
745	DWP National Insurance rebates property linked				45731
750	Income drawdown property linked				1583
755	Trustee investment plan				144
760	Small self administered schemes		173		3894

Long-term insurance business: Analysis of new business

**Form 47
(Sheet 5)**

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2007**

Units **£000**

Overseas / Direct insurance business

Product code number 1	Product description 2	Regular premium business		Single premium business	
		Number of policyholders / scheme members 3	Amount of premiums 4	Number of policyholders / scheme members 5	Amount of premiums 6
395	Annuity non-profit (PLA)			1	41
505	Life UWP whole life regular premium		18		
510	Life UWP endowment regular premium - savings		4		
555	Group deposit administration with-profits	37	61		
560	Group deposit administration with-profits - increments		69		
700	Life property linked single premium			4	183
710	Life property linked whole life regular premium		142		
715	Life property linked endowment regular premium - savings		11		
795	Miscellaneous property linked		32		

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

Form 48

Name of insurer **AXA Sun Life Plc**
 Financial year ended **31st December 2007**
 Category of assets **Total Long-Term Insurance Business Assets**
 Units **£000**

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

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

Land and buildings	11					
Approved fixed interest securities	12	183026	183026	8893	4.59	
Other fixed interest securities	13	511947	631698	38556	6.12	
Variable interest securities	14	353760	353760	24458	6.27	
UK listed equity shares	15	27664	32390	1075	4.35	
Non-UK listed equity shares	16	413592	414997	14504	3.99	
Unlisted equity shares	17	1654	1654			
Other assets	18	837004	711122	17882	2.53	
Total	19	2328647	2328647	105368	4.52	

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

Land and buildings	21	1075205	1109500	60631	5.46	(0.03)
Approved fixed interest securities	22	600348	600348	29002	4.58	5.34
Other fixed interest securities	23	1156579	1195348	65832	5.91	1.15
Variable interest securities	24	591763	591763	34626	6.09	(0.50)
UK listed equity shares	25	2738727	2941908	97576	4.75	2.44
Non-UK listed equity shares	26	1154185	1188011	31760	4.52	10.53
Unlisted equity shares	27	1824	341311			33.53
Other assets	28	1317122	667564	17398	2.63	4.45
Total	29	8635753	8635753	336825	4.70	4.82

Overall return on with-profits assets

Post investment costs but pre-tax	31					4.63
Return allocated to non taxable 'asset shares'	32					4.63
Return allocated to taxable 'asset shares'	33					4.05

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

Form 48

Name of insurer **AXA Sun Life Plc**
 Financial year ended **31st December 2007**
 Category of assets **Old With Profits Fund**
 Units **£000**

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

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

Land and buildings	11					
Approved fixed interest securities	12	17312	17312	836	4.58	
Other fixed interest securities	13	34727	36869	2029	5.89	
Variable interest securities	14	19040	19040	1118	6.12	
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18	4893	2751	77	2.80	
Total	19	75972	75972	4060	5.54	

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

Land and buildings	21	196870	203150	11101	5.46	(0.03)
Approved fixed interest securities	22	115431	115431	5576	4.58	5.34
Other fixed interest securities	23	188579	195678	10770	5.89	1.15
Variable interest securities	24	134729	134729	7912	6.12	(0.50)
UK listed equity shares	25	506526	547317	18146	4.76	2.44
Non-UK listed equity shares	26	213466	219566	5874	4.52	10.53
Unlisted equity shares	27	337	62498			33.53
Other assets	28	245592	123161	3234	2.64	4.45
Total	29	1601530	1601530	62613	4.71	4.82

Overall return on with-profits assets

Post investment costs but pre-tax	31					4.63
Return allocated to non taxable 'asset shares'	32					4.63
Return allocated to taxable 'asset shares'	33					4.05

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

Form 48

Name of insurer **AXA Sun Life Plc**
 Financial year ended **31st December 2007**
 Category of assets **New With Profits Fund**
 Units **£000**

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

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

Land and buildings	11					
Approved fixed interest securities	12	107495	107495	5193	4.58	
Other fixed interest securities	13	202795	215608	11876	5.92	
Variable interest securities	14	113707	113707	6646	6.08	
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18	29163	16350	447	2.75	
Total	19	453160	453160	24162	5.53	

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

Land and buildings	21	878335	906351	49529	5.46	(0.03)
Approved fixed interest securities	22	484918	484918	23426	4.58	5.34
Other fixed interest securities	23	968000	999670	55062	5.92	1.15
Variable interest securities	24	457034	457034	26714	6.08	(0.50)
UK listed equity shares	25	2232201	2394591	79430	4.75	2.44
Non-UK listed equity shares	26	940719	968446	25886	4.52	10.53
Unlisted equity shares	27	1486	278814			33.53
Other assets	28	1071530	544399	14164	2.62	4.45
Total	29	7034223	7034223	274211	4.70	4.82

Overall return on with-profits assets

Post investment costs but pre-tax	31					4.63
Return allocated to non taxable 'asset shares'	32					4.63
Return allocated to taxable 'asset shares'	33					4.05

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

Form 48

Name of insurer **AXA Sun Life Plc**
 Financial year ended **31st December 2007**
 Category of assets **Non Profit Fund One**
 Units **£000**

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

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

Land and buildings	11					
Approved fixed interest securities	12	38095	38095	1874	4.60	
Other fixed interest securities	13	72915	177711	13428	6.49	
Variable interest securities	14	218035	218035	13265	6.45	
UK listed equity shares	15	27664	32390	1075	4.35	
Non-UK listed equity shares	16	413592	414997	14504	3.99	
Unlisted equity shares	17	1654	1654			
Other assets	18	634394	523467	13583	2.61	
Total	19	1406349	1406349	57729	4.19	

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

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

Overall return on with-profits assets

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

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

Form 48

Name of insurer **AXA Sun Life Plc**
 Financial year ended **31st December 2007**
 Category of assets **Non Profit Fund Two**
 Units **£000**

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

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

Land and buildings	11					
Approved fixed interest securities	12	20124	20124	990	4.60	
Other fixed interest securities	13	201510	201510	11224	6.05	
Variable interest securities	14	2977	2977	3429	1.32	
UK listed equity shares	15					
Non-UK listed equity shares	16					
Unlisted equity shares	17					
Other assets	18	168554	168554	3776	2.27	
Total	19	393165	393165	19419	4.32	

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

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

Overall return on with-profits assets

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

Long-term insurance business: Fixed and variable interest assets

Form 49

Name of insurer **AXA Sun Life Plc**
 Financial year ended **31st December 2007**
 Category of assets **Total Long-Term Insurance Business Assets**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK government approved fixed interest securities	11	520229	9.23	4.47	4.47
Other approved fixed interest securities	21	263145	7.69	4.80	4.66
Other fixed interest securities					
AAA/Aaa	31	290248	7.41	5.53	5.41
AA/Aa	32	321649	5.17	5.89	5.61
A/A	33	568108	6.06	6.24	5.88
BBB/Baa	34	344891	6.12	6.40	5.39
BB/Ba	35				
B/B	36				
CCC/Caa	37				
Other (including unrated)	38	302150	6.52	5.56	4.53
Total other fixed interest securities	39	1827046	6.21	5.98	5.44
Approved variable interest securities	41	54497	11.82	1.32	1.30
Other variable interest securities	51	891025	9.67	6.45	5.82
Total (11+21+39+41+51)	61	3555942	7.71	5.72	5.27

Long-term insurance business: Fixed and variable interest assets

Form 49

Name of insurer **AXA Sun Life Plc**
 Financial year ended **31st December 2007**
 Category of assets **Old With Profits Fund**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK government approved fixed interest securities	11	87763	9.23	4.47	4.47
Other approved fixed interest securities	21	44980	7.72	4.79	4.65
Other fixed interest securities					
AAA/Aaa	31	37124	7.40	5.52	5.41
AA/Aa	32	41235	5.16	5.88	5.60
A/A	33	72789	6.08	6.24	5.87
BBB/Baa	34	43790	6.14	6.39	5.38
BB/Ba	35				
B/B	36				
CCC/Caa	37				
Other (including unrated)	38	37609	9.15	4.99	4.99
Total other fixed interest securities	39	232547	6.64	5.89	5.51
Approved variable interest securities	41	9869	11.82	1.32	1.30
Other variable interest securities	51	143901	9.67	6.45	5.82
Total (11+21+39+41+51)	61	519060	8.11	5.62	5.27

Long-term insurance business: Fixed and variable interest assets

Form 49

Name of insurer **AXA Sun Life Plc**
 Financial year ended **31st December 2007**
 Category of assets **New With Profits Fund**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK government approved fixed interest securities	11	391681	9.23	4.47	4.47
Other approved fixed interest securities	21	200732	7.72	4.79	4.65
Other fixed interest securities					
AAA/Aaa	31	205005	7.41	5.52	5.41
AA/Aa	32	227373	5.17	5.88	5.61
A/A	33	401511	6.07	6.24	5.87
BBB/Baa	34	241123	6.12	6.39	5.38
BB/Ba	35				
B/B	36				
CCC/Caa	37				
Other (including unrated)	38	140266	10.94	4.80	4.80
Total other fixed interest securities	39	1215278	6.70	5.91	5.52
Approved variable interest securities	41	41650	11.82	1.32	1.30
Other variable interest securities	51	529091	9.67	6.45	5.82
Total (11+21+39+41+51)	61	2378432	7.95	5.62	5.27

Long-term insurance business: Fixed and variable interest assets

Form 49

Name of insurer **AXA Sun Life Plc**
 Financial year ended **31st December 2007**
 Category of assets **Non Profit Fund One**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK government approved fixed interest securities	11	26688	8.86	4.47	4.47
Other approved fixed interest securities	21	11407	8.81	4.93	4.81
Other fixed interest securities					
AAA/Aaa	31	8846	7.44	5.53	5.42
AA/Aa	32	9751	5.22	5.90	5.62
A/A	33	17245	6.01	6.25	5.88
BBB/Baa	34	17595	6.61	6.83	5.87
BB/Ba	35				
B/B	36				
CCC/Caa	37				
Other (including unrated)	38	124274	0.73	6.58	4.09
Total other fixed interest securities	39	177711	2.40	6.48	4.59
Approved variable interest securities	41	1	11.82	1.32	1.30
Other variable interest securities	51	218034	9.67	6.45	5.82
Total (11+21+39+41+51)	61	433841	6.62	6.30	5.21

Long-term insurance business: Fixed and variable interest assets

Form 49

Name of insurer **AXA Sun Life Plc**
 Financial year ended **31st December 2007**
 Category of assets **Non Profit Fund Two**
 Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK government approved fixed interest securities	11	14098	8.86	4.47	4.47
Other approved fixed interest securities	21	6026	8.81	4.93	4.81
Other fixed interest securities					
AAA/Aaa	31	39273	7.44	5.53	5.42
AA/Aa	32	43290	5.22	5.90	5.62
A/A	33	76563	6.01	6.25	5.88
BBB/Baa	34	42383	5.88	6.31	5.30
BB/Ba	35				
B/B	36				
CCC/Caa	37				
Other (including unrated)	38				
Total other fixed interest securities	39	201509	6.09	6.05	5.61
Approved variable interest securities	41	2977	11.82	1.32	1.30
Other variable interest securities	51				
Total (11+21+39+41+51)	61	224610	6.41	5.86	5.46

Long-term insurance business: Summary of mathematical reserves

Form 50

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Total Long-Term Insurance Business**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Form 51 - with-profits	11	635972	336377	2231	974580	1011652
Form 51 - non-profit	12	544214	1606438	8784	2159436	1687408
Form 52	13	2265955	2384318	150367	4800640	5707236
Form 53 - linked	14	14562794	15683249	35636	30281679	17167227
Form 53 - non-linked	15	15694	72985	149	88828	103415
Form 54 - linked	16	199524	102170	2255	303949	128823
Form 54 - non-linked	17	290	2446	2	2738	1644
Total	18	18224443	20187983	199424	38611850	25807405

Reinsurance - external

Form 51 - with-profits	21	464			464	545
Form 51 - non-profit	22	165270			165270	85139
Form 52	23					
Form 53 – linked	24		148717		148717	
Form 53 - non-linked	25	864			864	
Form 54 – linked	26	46080		395	46475	10364
Form 54 - non-linked	27					
Total	28	212678	148717	395	361790	96048

Reinsurance - intra-group

Form 51 - with-profits	31					
Form 51 - non-profit	32		1133794		1133794	26
Form 52	33					
Form 53 – linked	34					17031479
Form 53 - non-linked	35	58	58		116	22711
Form 54 – linked	36	539	86437		86976	1753
Form 54 - non-linked	37		1912		1912	
Total	38	597	1222201		1222798	17055969

Net of reinsurance

Form 51 - with-profits	41	635508	336377	2231	974116	1011107
Form 51 - non-profit	42	378944	472644	8784	860372	1602243
Form 52	43	2265955	2384318	150367	4800640	5707236
Form 53 – linked	44	14562794	15534532	35636	30132962	135748
Form 53 - non-linked	45	14772	72927	149	87848	80704
Form 54 – linked	46	152905	15733	1860	170498	116706
Form 54 - non-linked	47	290	534	2	826	1644
Total	48	18011168	18817065	199029	37027262	8655388

Long-term insurance business: Summary of mathematical reserves

Form 50

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Form 51 - with-profits	11	124268	61040	516	185824	174833
Form 51 - non-profit	12	12241	60750	89	73080	57651
Form 52	13	326042	420851	16393	763286	830447
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16		2978		2978	2561
Form 54 - non-linked	17		140		140	98
Total	18	462551	545759	16998	1025308	1065590

Reinsurance - external

Form 51 - with-profits	21	212			212	223
Form 51 - non-profit	22					
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
Total	28	212			212	223

Reinsurance - intra-group

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

Net of reinsurance

Form 51 - with-profits	41	124056	61040	516	185612	174610
Form 51 - non-profit	42	12241	60750	89	73080	57651
Form 52	43	326042	420851	16393	763286	830447
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46		2978		2978	2561
Form 54 - non-linked	47		140		140	98
Total	48	462339	545759	16998	1025096	1065367

Long-term insurance business: Summary of mathematical reserves

Form 50

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Form 51 - with-profits	11	511704	275337	1715	788756	836819
Form 51 - non-profit	12	67370	368873	173	436416	333472
Form 52	13	1939913	1963467	133974	4037354	4876789
Form 53 - linked	14					
Form 53 - non-linked	15					
Form 54 - linked	16		12755		12755	10632
Form 54 - non-linked	17		394		394	266
Total	18	2518987	2620826	135862	5275675	6057978

Reinsurance - external

Form 51 - with-profits	21	252			252	322
Form 51 - non-profit	22					
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
Total	28	252			252	322

Reinsurance - intra-group

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

Net of reinsurance

Form 51 - with-profits	41	511452	275337	1715	788504	836497
Form 51 - non-profit	42	67370	368873	173	436416	333472
Form 52	43	1939913	1963467	133974	4037354	4876789
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46		12755		12755	10632
Form 54 - non-linked	47		394		394	266
Total	48	2518735	2620826	135862	5275423	6057656

Long-term insurance business: Summary of mathematical reserves

Form 50

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund One**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Form 51 - with-profits	11				
Form 51 - non-profit	12	229930		229930	226432
Form 52	13				
Form 53 - linked	14	14544293	34002	14578295	9205232
Form 53 - non-linked	15	13738	137	13875	1352
Form 54 - linked	16	245		245	268
Form 54 - non-linked	17	6		6	6
Total	18	14788212	34139	14822351	9433290

Reinsurance - external

Form 51 - with-profits	21				
Form 51 - non-profit	22	83516		83516	78493
Form 52	23				
Form 53 - linked	24				
Form 53 - non-linked	25				
Form 54 - linked	26				
Form 54 - non-linked	27				
Total	28	83516		83516	78493

Reinsurance - intra-group

Form 51 - with-profits	31				
Form 51 - non-profit	32				
Form 52	33				
Form 53 - linked	34				9069878
Form 53 - non-linked	35	58		58	(4455)
Form 54 - linked	36				
Form 54 - non-linked	37				
Total	38	58		58	9065423

Net of reinsurance

Form 51 - with-profits	41				
Form 51 - non-profit	42	146414		146414	147939
Form 52	43				
Form 53 - linked	44	14544293	34002	14578295	135354
Form 53 - non-linked	45	13680	137	13817	5807
Form 54 - linked	46	245		245	268
Form 54 - non-linked	47	6		6	6
Total	48	14704638	34139	14738777	289374

Long-term insurance business: Summary of mathematical reserves

Form 50

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

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

Gross

Form 51 - with-profits	11				
Form 51 - non-profit	12	234673	1176815	8522	1420010
Form 52	13				
Form 53 - linked	14	18501	15683249	1634	15703384
Form 53 - non-linked	15	1956	72985	12	74953
Form 54 - linked	16	199279	86437	2255	287971
Form 54 - non-linked	17	284	1912	2	2198
Total	18	454693	17021398	12425	17488516

Reinsurance - external

Form 51 - with-profits	21				
Form 51 - non-profit	22	81754			81754
Form 52	23				
Form 53 – linked	24		148717		148717
Form 53 - non-linked	25	864			864
Form 54 – linked	26	46080		395	46475
Form 54 - non-linked	27				
Total	28	128698	148717	395	277810

Reinsurance - intra-group

Form 51 - with-profits	31				
Form 51 - non-profit	32		1133794		1133794
Form 52	33				
Form 53 – linked	34				7961601
Form 53 - non-linked	35		58		58
Form 54 – linked	36	539	86437		86976
Form 54 - non-linked	37		1912		1912
Total	38	539	1222201		1222740

Net of reinsurance

Form 51 - with-profits	41				
Form 51 - non-profit	42	152919	43021	8522	204462
Form 52	43				
Form 53 – linked	44	18501	15534532	1634	15554667
Form 53 - non-linked	45	1092	72927	12	74031
Form 54 – linked	46	152660		1860	154520
Form 54 - non-linked	47	284		2	286
Total	48	325456	15650480	12030	15987966

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

**Form 51
(Sheet 1)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Life / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
100	Conventional whole life with-profits OB	800	11883	59	n/a	n/a	n/a	7383
120	Conventional endowment with-profits OB savings	34772	239942	22384	n/a	n/a	n/a	98456
125	Conventional endowment with-profits OB target cash	984	13933	267	n/a	n/a	n/a	15814
205	Miscellaneous conventional with-profits	10350	11037	1709	n/a	n/a	n/a	2615
300	Regular premium non-profit WL/EA OB	1808	107445	7336	n/a	n/a	n/a	11216
390	Deferred annuity non-profit	6	58		n/a	n/a	n/a	813
395	Annuity non-profit (PLA)	2	2		n/a	n/a	n/a	16
435	Miscellaneous non-profit	39	174		n/a	n/a	n/a	196

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

**Form 51
(Sheet 2)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Life / Reinsurance ceded external

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
100	Conventional whole life with-profits OB		454	2	n/a	n/a	n/a	212

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

**Form 51
(Sheet 3)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Pension / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
155	Conventional pensions endowment with-profits	3182	42332	75	n/a	n/a	n/a	60360
205	Miscellaneous conventional with-profits	54	536		n/a	n/a	n/a	680
390	Deferred annuity non-profit	11	20		n/a	n/a	n/a	261
400	Annuity non-profit (CPA)	2658	2764		n/a	n/a	n/a	42911
435	Miscellaneous non-profit	625	8619		n/a	n/a	n/a	17578

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

**Form 51
(Sheet 4)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

Overseas / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
100	Conventional whole life with-profits OB	10	331	3	n/a	n/a	n/a	232
120	Conventional endowment with-profits OB savings	9	156	2	n/a	n/a	n/a	132
125	Conventional endowment with-profits OB target cash	1	7		n/a	n/a	n/a	6
205	Miscellaneous conventional with-profits	5	125	2	n/a	n/a	n/a	146
395	Annuity non-profit (PLA)	1	8		n/a	n/a	n/a	89

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

**Form 51
(Sheet 5)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Life / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
100	Conventional whole life with-profits OB	5308	63909	402	n/a	n/a	n/a	40395
120	Conventional endowment with-profits OB savings	232323	928789	83896	n/a	n/a	n/a	344626
125	Conventional endowment with-profits OB target cash	7526	102142	1962	n/a	n/a	n/a	115098
205	Miscellaneous conventional with-profits	50124	41599	6490	n/a	n/a	n/a	11585
300	Regular premium non-profit WL/EA OB	411932	725177	50370	n/a	n/a	n/a	66721
390	Deferred annuity non-profit	1	24		n/a	n/a	n/a	384
395	Annuity non-profit (PLA)	5	11		n/a	n/a	n/a	130
435	Miscellaneous non-profit	9	113		n/a	n/a	n/a	135

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

**Form 51
(Sheet 6)**

Name of insurer **AXA Sun Life Plc**

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

Financial year ended **31st December 2007**

Units **£000**

UK Life / Reinsurance ceded external

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
100	Conventional whole life with-profits OB		140		n/a	n/a	n/a	252

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

**Form 51
(Sheet 7)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Pension / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
155	Conventional pensions endowment with-profits	5741	187549	734	n/a	n/a	n/a	269151
205	Miscellaneous conventional with-profits	114	3453	160	n/a	n/a	n/a	6186
390	Deferred annuity non-profit	190	1268		n/a	n/a	n/a	16529
400	Annuity non-profit (CPA)	9994	20090		n/a	n/a	n/a	308857
435	Miscellaneous non-profit	652	21733		n/a	n/a	n/a	43487

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

**Form 51
(Sheet 8)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

Overseas / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
100	Conventional whole life with-profits OB	19	860	13	n/a	n/a	n/a	509
120	Conventional endowment with-profits OB savings	49	774	8	n/a	n/a	n/a	690
125	Conventional endowment with-profits OB target cash	1	28	1	n/a	n/a	n/a	25
205	Miscellaneous conventional with-profits	9	100	8	n/a	n/a	n/a	491
395	Annuity non-profit (PLA)	7	13		n/a	n/a	n/a	140
435	Miscellaneous non-profit	1	29		n/a	n/a	n/a	33

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

**Form 51
(Sheet 9)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund One**
 Financial year ended **31st December 2007**
 Units **£000**

UK Life / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
300	Regular premium non-profit WL/EA OB	278935	716018	40915	n/a	n/a	n/a	89686
325	Level term assurance	30783	3388168	9193	n/a	n/a	n/a	28547
330	Decreasing term assurance	30126	2265508	7004	n/a	n/a	n/a	25712
340	Accelerated critical illness (guaranteed premiums)	54017	3967605	23320	n/a	n/a	n/a	36233
345	Accelerated critical illness (reviewable premiums)	6317	633987	3537	n/a	n/a	n/a	13146
390	Deferred annuity non-profit	149	184		n/a	n/a	n/a	2605
395	Annuity non-profit (PLA)	1080	1053		n/a	n/a	n/a	9486
415	Collective Life		793614		n/a	n/a	n/a	12533
435	Miscellaneous non-profit	226	2261	175	n/a	n/a	n/a	1192
440	Additional reserves non-profit OB				n/a	n/a	n/a	10790

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

**Form 51
(Sheet 10)**

Name of insurer **AXA Sun Life Plc**

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

Financial year ended **31st December 2007**

Units **£000**

UK Life / Reinsurance ceded external

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
300	Regular premium non-profit WL/EA OB		2505	33	n/a	n/a	n/a	543
325	Level term assurance		2752455	3388	n/a	n/a	n/a	24694
330	Decreasing term assurance		1552699	2470	n/a	n/a	n/a	18078
340	Accelerated critical illness (guaranteed premiums)		3029634	11516	n/a	n/a	n/a	33083
345	Accelerated critical illness (reviewable premiums)		485884	1497	n/a	n/a	n/a	11018
435	Miscellaneous non-profit		31		n/a	n/a	n/a	
440	Additional reserves non-profit OB				n/a	n/a	n/a	(3900)

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

**Form 51
(Sheet 11)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

UK Life / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
300	Regular premium non-profit WL/EA OB		33		n/a	n/a	n/a	28
330	Decreasing term assurance		33	2	n/a	n/a	n/a	
365	Income protection non-profit (reviewable premiums)	3899	56901	1644	n/a	n/a	n/a	11248
370	Long-term care policy	6677	78796	3870	n/a	n/a	n/a	159481
390	Deferred annuity non-profit	41	738		n/a	n/a	n/a	1546
395	Annuity non-profit (PLA)	608	11143		n/a	n/a	n/a	40580
435	Miscellaneous non-profit	12648	1233682	5660	n/a	n/a	n/a	18360
440	Additional reserves non-profit OB				n/a	n/a	n/a	3430

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

**Form 51
(Sheet 12)**

Name of insurer **AXA Sun Life Plc**

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

Financial year ended **31st December 2007**

Units **£000**

UK Life / Reinsurance ceded external

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
330	Decreasing term assurance		1		n/a	n/a	n/a	
365	Income protection non-profit (reviewable premiums)		40047	1044	n/a	n/a	n/a	7464
370	Long-term care policy		40284	2689	n/a	n/a	n/a	64084
435	Miscellaneous non-profit		433355	3361	n/a	n/a	n/a	10206

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

**Form 51
(Sheet 13)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

UK Pension / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
300	Regular premium non-profit WL/EA OB	116	79		n/a	n/a	n/a	126
325	Level term assurance	796	30919	128	n/a	n/a	n/a	1054
390	Deferred annuity non-profit	11798	8140	10	n/a	n/a	n/a	109743
400	Annuity non-profit (CPA)	65768	76408		n/a	n/a	n/a	1022603
435	Miscellaneous non-profit	2780	24825	93	n/a	n/a	n/a	34096
440	Additional reserves non-profit OB				n/a	n/a	n/a	190
315	Individual deposit administration non-profit		9003	156	n/a	n/a	n/a	9003

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

**Form 51
(Sheet 14)**

Name of insurer **AXA Sun Life Plc**

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

Financial year ended **31st December 2007**

Units **£000**

UK Pension / Reinsurance ceded intra-group

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
390	Deferred annuity non-profit		8140	10	n/a	n/a	n/a	109743
400	Annuity non-profit (CPA)		76408		n/a	n/a	n/a	1022603
435	Miscellaneous non-profit		521	32	n/a	n/a	n/a	1448

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

**Form 51
(Sheet 15)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

Overseas / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
300	Regular premium non-profit WL/EA OB	65	745	15	n/a	n/a	n/a	449
325	Level term assurance	8	1269	5	n/a	n/a	n/a	7
330	Decreasing term assurance	4	90	1	n/a	n/a	n/a	1
390	Deferred annuity non-profit	37	137	632	n/a	n/a	n/a	3499
395	Annuity non-profit (PLA)	138	378		n/a	n/a	n/a	4465
435	Miscellaneous non-profit		6891	37	n/a	n/a	n/a	101

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

**Form 52
(Sheet 1)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Life / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
500	Life UWP single premium	4549	200893		195926	195910	29359	225269
505	Life UWP whole life regular premium	1639	214043	1159	2303	2303	60	2362
510	Life UWP endowment regular premium - savings	255	4282	353	3598	3598	21	3619
515	Life UWP endowment regular premium – target cash	9118	257662	5454	79952	79952	4930	84882
574	UWP investment only reinsurance		7865		7865	7865		7865
575	Miscellaneous UWP	492	1842		1824	1824	221	2045

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

**Form 52
(Sheet 2)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Life / Reinsurance ceded external

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
505	Life UWP whole life regular premium		9508	36				

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

**Form 52
(Sheet 3)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Pension / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
525	Individual pensions UWP	14310	273356	3530	253008	252512	72018	324530
535	Group money purchase pensions UWP	1602	50441	2285	48905	48894	585	49480
555	Group deposit administration with-profits	2363	15812	74	15812	15812	2396	18208
570	Income drawdown UWP	19	11536		11536	11534	5	11539
571	Trustee investment plan UWP	98	13994	9	14176	14168	2246	16414
575	Miscellaneous UWP	9	695	40	691	676	3	680

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

**Form 52
(Sheet 4)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Pension / Reinsurance ceded external

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

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

**Form 52
(Sheet 5)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

Overseas / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
500	Life UWP single premium	11	150		149	149		149
505	Life UWP whole life regular premium	15	4153	19	61	61	1	62
510	Life UWP endowment regular premium - savings	5	257	18	209	209		209
515	Life UWP endowment regular premium – target cash	49	2171	40	590	590	4	594
555	Group deposit administration with-profits	21	500		500	500	16	516
574	UWP investment only reinsurance		14863		14863	14863		14863

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

**Form 52
(Sheet 6)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Life / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
500	Life UWP single premium	44447	1266781		1248269	1248170	73662	1321832
505	Life UWP whole life regular premium	12134	1171740	7239	13498	13498	391	13889
510	Life UWP endowment regular premium - savings	1530	25048	2020	22551	22549	149	22697
515	Life UWP endowment regular premium – target cash	46984	1539784	36006	490767	490765	4134	494899
574	UWP investment only reinsurance		73486		73486	73486	124	73610
575	Miscellaneous UWP	7483	11921		11806	11806	1180	12986

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

**Form 52
(Sheet 7)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Life / Reinsurance ceded external

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
505	Life UWP whole life regular premium		20282	75				

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

**Form 52
(Sheet 8)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Pension / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
525	Individual pensions UWP	48954	1354318	26864	1195427	1194058	252748	1446806
535	Group money purchase pensions UWP	9151	173122	11162	166454	166402	2002	168404
555	Group deposit administration with-profits	14912	241365	7212	241365	241365	27342	268707
570	Income drawdown UWP	161	44768		44768	44758	19	44778
571	Trustee investment plan UWP	291	32996	23	33178	33148	11	33159
575	Miscellaneous UWP	25	1746	79	1637	1609	4	1613

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

**Form 52
(Sheet 9)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Pension / Reinsurance ceded external

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
525	Individual pensions UWP		52					

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

**Form 52
(Sheet 10)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

Overseas / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
500	Life UWP single premium	161	6821		6789	6789		6789
505	Life UWP whole life regular premium	224	34563	217	951	951	6	956
510	Life UWP endowment regular premium - savings	27	1095	72	883	883	3	886
515	Life UWP endowment regular premium – target cash	229	15886	308	3692	3692	23	3715
555	Group deposit administration with-profits	531	18258	1062	18258	18258	1318	19576
574	UWP investment only reinsurance		102052		102052	102052		102052

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

**Form 53
(Sheet 1)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund One**
 Financial year ended **31st December 2007**
 Units **£000**

UK Life / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
700	Life property linked single premium	242099	13178866		13337678	13201664	(8872)	13192792
710	Life property linked whole life regular premium	149198	10499714	90507	781567	781567	6817	788384
715	Life property linked endowment regular premium - savings	8624	345182	21725	305920	305920	5412	311332
720	Life property linked endowment regular premium – target cash	10850	496226	17218	242021	242021	4426	246447
795	Miscellaneous property linked	17132	13167	9644	13121	13121	349	13470
800	Additional reserves property linked						5606	5606

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

**Form 53
(Sheet 2)**

Name of insurer **AXA Sun Life Plc**

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

Financial year ended **31st December 2007**

Units **£000**

UK Life / Reinsurance ceded external

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
710	Life property linked whole life regular premium		181485	670				

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

**Form 53
(Sheet 3)**

Name of insurer **AXA Sun Life Plc**

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

Financial year ended **31st December 2007**

Units **£000**

UK Life / Reinsurance ceded intra-group

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
710	Life property linked whole life regular premium						53	53
715	Life property linked endowment regular premium - savings						5	5

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

**Form 53
(Sheet 4)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund One**
 Financial year ended **31st December 2007**
 Units **£000**

Overseas / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
700	Life property linked single premium	93	4046		4018	4019	1	4020
710	Life property linked whole life regular premium	2067	296440	2080	23238	23238	105	23343
715	Life property linked endowment regular premium - savings	165	5735	337	5319	5319	17	5336
720	Life property linked endowment regular premium – target cash	51	2870	63	949	949	2	951
795	Miscellaneous property linked	541	481	432	477	477	12	489

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

**Form 53
(Sheet 5)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

UK Life / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
700	Life property linked single premium						31	31
795	Miscellaneous property linked	631	7172		18501	18501	1925	20426

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

**Form 53
(Sheet 6)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

UK Life / Reinsurance ceded external

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
795	Miscellaneous property linked		3586				864	864

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

**Form 53
(Sheet 7)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

UK Pension / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
725	Individual pensions property linked	209015	9582345	245344	9651584	9503236	6309	9509545
735	Group money purchase pensions property linked	185836	3105824	588017	3093374	3071194	65003	3136197
750	Income drawdown property linked	7859	1276995		1276926	1276926	1730	1278656
755	Trustee investment plan	4266	220398	14192	570370	569751	(2326)	567425
760	Small self administered schemes	1654	404462	8393	401819	388030	(81)	387949
765	Group managed fund	148	870622	31491	870622	870622		870622
794	Property linked investment only reinsurance		1393		3490	3490	(22)	3469
800	Additional reserves property linked						2372	2372

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

**Form 53
(Sheet 8)**

Name of insurer **AXA Sun Life Plc**

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

Financial year ended **31st December 2007**

Units **£000**

UK Pension / Reinsurance ceded external

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
725	Individual pensions property linked		466	3				
735	Group money purchase pensions property linked				148717	148717		148717

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

**Form 53
(Sheet 9)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

UK Pension / Reinsurance ceded intra-group

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
725	Individual pensions property linked			(3)			58	58

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

**Form 53
(Sheet 10)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

Overseas / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
710	Life property linked whole life regular premium	4	202	1	202	202		202
715	Life property linked endowment regular premium - savings	5	182	1	182	182		182
735	Group money purchase pensions property linked	32	1250	57	1250	1250	12	1262

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

**Form 54
(Sheet 1)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Pension / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
905	Index linked annuity	192	138		3530	2978	140	3118

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

**Form 54
(Sheet 2)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

UK Pension / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
905	Index linked annuity	468	562		15113	12755	394	13149

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

**Form 54
(Sheet 3)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund One**
 Financial year ended **31st December 2007**
 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
905	Index linked annuity	19	18		272	245	6	251

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

**Form 54
(Sheet 4)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

UK Life / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
901	Index linked income protection claims in payment		5130		31906	29991		29991
905	Index linked annuity	273	4922		22389	19125		19125
910	Miscellaneous index linked	7738	403675	4923	363267	150163	284	150447

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

**Form 54
(Sheet 5)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

UK Life / Reinsurance ceded external

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
901	Index linked income protection claims in payment		1271		7976	7498		7498
910	Miscellaneous index linked		124594	1932	102251	38582		38582

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

**Form 54
(Sheet 6)**

Name of insurer **AXA Sun Life Plc**

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

Financial year ended **31st December 2007**

Units **£000**

UK Life / Reinsurance ceded intra-group

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
901	Index linked income protection claims in payment		154		580	539		539

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

**Form 54
(Sheet 7)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

UK Pension / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
905	Index linked annuity	3081	4588		98679	86437	1912	88349

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

**Form 54
(Sheet 8)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

UK Pension / Reinsurance ceded intra-group

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
905	Index linked annuity		4588		98679	86437	1912	88349

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

**Form 54
(Sheet 9)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

Overseas / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
901	Index linked income protection claims in payment		159		1360	1260		1260
905	Index linked annuity	3	34		771	673	2	674
910	Miscellaneous index linked	28	13257	25	322	322		322

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

**Form 54
(Sheet 10)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

Overseas / Reinsurance ceded external

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
901	Index linked income protection claims in payment		40		340	315		315
910	Miscellaneous index linked		3392	6	80	80		80

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

Form 55

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2007**

Units **£000**

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit mgmt charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
Individual Managed	12 - individual pension - balanced managed fund	4617052	Issue 23	1.00	24.9240	26.2770	5.43
Individual Property	17 - individual pension - property	777694	Issue 58	1.00	14.9950	14.0480	(6.32)
Individual Equity	15 - individual pension - UK equity	1031039	Issue 23	1.00	45.1630	47.2060	4.52
Individual UK Bond	14 - individual pension - other managed fund	225317	Issue 23	1.00	11.4790	11.6210	1.24
Individual Cash	14 - individual pension - other managed fund	691550	Issue 23	1.00	7.2360	7.5710	4.63
Individual Global Equity	16 - individual pension - overseas equity	161697	Issue 23	1.00	12.0900	12.8340	6.15
Individual Pacific	16 - individual pension - overseas equity	131123	Issue 23	1.00	8.3200	11.5980	39.40
Individual European	16 - individual pension - overseas equity	267297	Issue 23	1.00	6.5440	7.0560	7.82
Individual Retirement Distribution	14 - individual pension - other managed fund	2434574	Issue 23	1.00	4.0410	4.3340	7.25
Individual BZW	14 - individual pension - other managed fund	106625	Issue 24	1.00	2.8180	2.9600	5.04
Individual Higher Income	15 - individual pension - UK equity	379911	Issue 42	1.00	10.8870	10.7430	(1.32)
Individual Global Managed	11 - individual pension - stock market managed fund	171534	Issue 33	1.00	3.8290	4.0390	5.48
Individual Reserve	13 - individual pension - defensive managed fund	436586	Issue 65	1.00	1.5230	1.5380	0.98
Individual Retirement 2015	11 - individual pension - stock market managed fund	133693	Issue 65	1.00	1.1450	1.2230	6.81
Individual Retirement 2020	11 - individual pension - stock market managed fund	160040	Issue 65	1.00	1.1560	1.2400	7.27
Individual Retirement 2025	11 - individual pension - stock market managed fund	182647	Issue 65	1.00	1.1620	1.2460	7.23
Individual Retirement 2030	11 - individual pension - stock market managed fund	178802	Issue 65	1.00	1.1620	1.2470	7.31
Individual Retirement 2035	11 - individual pension - stock market managed fund	151045	Issue 65	1.00	1.1590	1.2430	7.25
Individual Retirement 2040	11 - individual pension - stock market managed fund	155525	Issue 65	1.00	1.1540	1.2370	7.19
Group Overseas Equity	26 - group managed fund - overseas equity	213668	Group Managed Fund	1.00	10.2600	11.3640	10.76
Group Mixed	22 - group managed fund - balanced managed fund	420583	Group Managed Fund	1.00	54.4500	57.7790	6.11
Group UK Equity	25 - group managed fund - UK equity	198016	Group Managed Fund	1.00	27.2400	28.6560	5.20
Group UK Bond	24 - group managed fund - other managed fund	135928	Group Managed Fund	1.00	14.0060	13.9770	(0.21)
Managed	02 - life - balanced managed fund	1165932	Issue 83	1.00	14.4430	15.0660	4.31
Property	07 - life - property	928505	Issue 87	1.00	1.6170	1.4750	(8.78)
Equity	05 - life - UK equity	160803	Issue 83	1.00	21.3100	22.2380	4.35
Cash	04 - life - other managed fund	193626	Issue 87	1.00	1.1200	1.1590	3.48
Distribution	04 - life - other managed fund	4536504	Issue 14	1.00	3.9690	4.0410	1.81
Index Linked	04 - life - other managed fund	100962	Issue 87	1.00	1.2750	1.3610	6.75
Deferred Distribution	04 - life - other managed fund	3595304	Issue 14	1.00	3.8410	4.1100	7.00

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

**Form 55
(continuation sheet)**

Name of insurer **AXA Sun Life Plc**

Total business

Financial year ended **31st December 2007**

Units **£000**

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit mgmt charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
Higher Income	05 - life - UK equity	232576	Issue 83	1.00	30.4660	30.3220	(0.47)
Reserve	03 - life - defensive managed fund	1029325	Issue 87	1.00	1.2350	1.2190	(1.30)
Higher Yield Distribution	04 - life - other managed fund	927641	Issue 87	1.00	1.0440	0.9900	(5.17)
Active Protector 80	04 - life - other managed fund	182158	Issue 87	1.00	1.2890	1.3170	2.17

Long-term insurance business: index linked business

Form 56

Name of insurer **AXA Sun Life Plc**

Global business

Total business

Financial year ended **31st December 2007**

Units **£000**

Type of assets and liabilities	Name of index link 1	Value of assets or liabilities 2	Gross derivative value 3
Index Linked Gilts & Debentures	RPI & LPI	170498	
Sub total assets		170498	
Sub total liabilities			
Sub total net assets		170498	
Total assets		170498	n/a
Total liabilities			n/a
Net total assets		170498	n/a

Long-term insurance business - analysis of valuation interest rate

**Form 57
(Sheet 1)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 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 Pensions NP (Form 51)	60751		4.50	5.20
UK Life WP (Form 51)	127597	3.00		4.04
UK Pensions WP (Form 51)	61040		4.00	4.04
UK Life WP (Form 52)	326041	3.00		4.04
UK Pensions WP (Form 52)	182232		3.00	4.04
UK Pensions WP (Form 52)	239938		4.00	4.04
Miscellaneous	29706			4.51
TOTAL	1027305	n/a	n/a	n/a

Long-term insurance business - analysis of valuation interest rate

**Form 57
(Sheet 2)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 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 Pensions NP (Form 51)	368872		4.50	5.20
UK Life WP (Form 51)	526431	3.00		4.05
UK Pensions WP (Form 51)	275337		4.00	4.05
UK Life WP (Form 52)	1939913	3.00		4.05
UK Pensions WP (Form 52)	997155		3.00	4.05
UK Pension WP (Form 52)	973339		4.00	4.05
Miscellaneous	204175			4.40
TOTAL	5285222	n/a	n/a	n/a

Long-term insurance business - analysis of valuation interest rate**Form 57
(Sheet 3)**

Name of insurer **AXA Sun Life Plc**
Total business / subfund **Non Profit Fund One**
Financial year ended **31st December 2007**
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 Life NP (Form 51)	12551			3.55
UK Life NP (Form 51)	121278	3.60		5.22
UK Life NP (Form 51)	12091		4.50	5.21
UK Life NP (Form 53)	13680	3.60		5.21
Miscellaneous	636			5.31
TOTAL	160236	n/a	n/a	n/a

Long-term insurance business - analysis of valuation interest rate

**Form 57
(Sheet 4)**

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 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 Life NP (Form 51)	42154	3.60		4.98
UK Life NP (Form 51)	106456		4.50	4.98
UK Pensions NP (Form 51)	33753		4.50	4.98
UK Pensions NP (Form 53)	72928		4.50	4.98
Miscellaneous	23487			4.15
TOTAL	278778	n/a	n/a	n/a

Long-term insurance business: distribution of surplus
Form 58

Name of insurer **AXA Sun Life Plc**

Total business / subfund **Total Long-Term Insurance Business**

Financial year ended **31st December 2007**

Units **£000**

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

Valuation result

Fund carried forward	11	37055047	8572424
Bonus payments in anticipation of a surplus	12	239834	149463
Transfer to non-technical account	13	29736	19193
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	37324617	8741080
Mathematical reserves	21	37027262	8655388
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	297355	85692

Composition of surplus

Balance brought forward	31	(106239)	(106239)
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34	403594	191931
Total	39	297355	85692

Distribution of surplus

Bonus paid in anticipation of a surplus	41	239834	149463
Cash bonuses	42	45	13
Reversionary bonuses	43	27740	23262
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	267619	172738
Net transfer out of fund / part of fund	47	29736	19193
Total distributed surplus (46+47)	48	297355	191931
Surplus carried forward	49		(106239)
Total (48+49)	59	297355	85692

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
Form 58

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Old With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

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

Valuation result

Fund carried forward	11	1030284	1069385
Bonus payments in anticipation of a surplus	12	28198	17939
Transfer to non-technical account	13	3710	2440
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	1062192	1089764
Mathematical reserves	21	1025096	1065367
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	37096	24397

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	37096	24397
Total	39	37096	24397

Distribution of surplus

Bonus paid in anticipation of a surplus	41	28198	17939
Cash bonuses	42		
Reversionary bonuses	43	5188	4018
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	33386	21957
Net transfer out of fund / part of fund	47	3710	2440
Total distributed surplus (46+47)	48	37096	24397
Surplus carried forward	49		
Total (48+49)	59	37096	24397

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

Form 58

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **New With Profits Fund**
 Financial year ended **31st December 2007**
 Units **£000**

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

Valuation result

Fund carried forward	11	5298020	6076913
Bonus payments in anticipation of a surplus	12	211636	131524
Transfer to non-technical account	13	26026	16753
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	5535682	6225190
Mathematical reserves	21	5275423	6057656
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	260259	167534

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	260259	167534
Total	39	260259	167534

Distribution of surplus

Bonus paid in anticipation of a surplus	41	211636	131524
Cash bonuses	42	45	13
Reversionary bonuses	43	22552	19244
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	234233	150781
Net transfer out of fund / part of fund	47	26026	16753
Total distributed surplus (46+47)	48	260259	167534
Surplus carried forward	49		
Total (48+49)	59	260259	167534

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

Form 58

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund One**
 Financial year ended **31st December 2007**
 Units **£000**

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

Valuation result

Fund carried forward	11	14738777	289374
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	14738777	289374
Mathematical reserves	21	14738777	289374
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29		

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		
Total	39		

Distribution of surplus

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

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

Form 58

Name of insurer **AXA Sun Life Plc**
 Total business / subfund **Non Profit Fund Two**
 Financial year ended **31st December 2007**
 Units **£000**

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

Valuation result

Fund carried forward	11	15987966	1136752
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	15987966	1136752
Mathematical reserves	21	15987966	1242991
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29		(106239)

Composition of surplus

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

Distribution of surplus

Bonus paid in anticipation of a surplus	41		
Cash bonuses	42		
Reversionary bonuses	43		
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46		
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48		
Surplus carried forward	49		(106239)
Total (48+49)	59		(106239)

Percentage of distributed surplus allocated to policyholders

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

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

Form 59A

Name of insurer **AXA Sun Life Plc**

Original insurer **AXA Sun Life plc.**

Date of maturity value/open market option **1st March 2008**

Category of with-profits policy	Original term (years)	Maturity value / open market option	Terminal bonus	MVA	CWP / UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	25	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	5	16592	3829		UWP	N	16592
Regular premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	20	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	5	14558	3360		UWP	N	14558
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	15	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	20	n/a	n/a	n/a	n/a	n/a	n/a

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

Form 59A

Name of insurer **AXA Sun Life Plc**

Original insurer **AXA Equity & Law**

Date of maturity value/open market option **1st March 2008**

Category of with-profits policy	Original term (years)	Maturity value / open market option	Terminal bonus	MVA	CWP / UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	10	7663	1768		UWP	N	7663
Endowment assurance	15	14084	3651		UWP	N	14084
Endowment assurance	20	24693	7055		UWP	N	24693
Endowment assurance	25	39756	7951		CWP	N	39756
Regular premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Regular premium pension	10	28187	1995		UWP	N	28187
Regular premium pension	15	61462	17561		UWP	N	61462
Regular premium pension	20	101898	16983		UWP	N	101898
Single premium pension	5	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	10	18275	3858		UWP	N	18275
Single premium pension	15	27409	7831		UWP	N	27409
Single premium pension	20	45087	7515		UWP	N	45087

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

Form 59B

Name of insurer **AXA Sun Life Plc**

Original insurer **AXA Sun Life plc.**

Date of surrender value **1st March 2008**

Category of with-profits policy	Duration at surrender (years)	Surrender value	Terminal bonus	MVA	CWP/UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	15	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	20	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	2	9658			UWP	Y	9658
With-profits bond	3	9987			UWP	Y	9987
With-profits bond	5	13454	2691		UWP	Y	13454
With-profits bond	10	n/a	n/a	n/a	n/a	n/a	n/a
Single premium pension	2	10562			UWP	Y	10562
Single premium pension	3	10743			UWP	Y	10743
Single premium pension	5	11199			UWP	Y	11199
Single premium pension	10	n/a	n/a	n/a	n/a	n/a	n/a

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

Form 59B

Name of insurer **AXA Sun Life Plc**

Original insurer **AXA Equity & Law**

Date of surrender value **1st March 2008**

Category of with-profits policy	Duration at surrender (years)	Surrender value	Terminal bonus	MVA	CWP/UWP	MVA permitted?	Death benefit
1	2	3	4	5	6	7	8
Endowment assurance	5	n/a	n/a	n/a	n/a	n/a	n/a
Endowment assurance	10	5665	544		UWP	Y	11250
Endowment assurance	15	11144	1495		UWP	Y	11250
Endowment assurance	20	20654	3597		UWP	Y	11250
With-profits bond	2	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	3	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	5	n/a	n/a	n/a	n/a	n/a	n/a
With-profits bond	10	14027			UWP	Y	14027
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	15147	766		UWP	Y	15147

Long-term insurance capital requirement
Form 60

 Name of insurer **AXA Sun Life Plc**

Global business

 Financial year ended **31st December 2007**

 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%	6801	6801		
Classes I (other), II and IX	12	0.1%	39679	25348	0.53	21
Classes I (other), II and IX	13	0.15%	539715	66655		433
Classes I (other), II and IX	14	0.3%	16078412	8819213		25804
Classes III, VII and VIII	15	0.3%	11445943	11445943	1.00	34338
Total	16		28110550	20363960		60596

Insurance health risk and life protection reinsurance capital component

Class IV, supplementary classes 1 and 2 and life protection reinsurance	21					5466
						5467

Insurance expense risk capital component

Life protection and permanent health reinsurance	31	0%				
Classes I (other), II and IX	32	1%	7095231	5877675	0.85	60309
Classes III, VII and VIII (investment risk)	33	1%	981706	892438	0.91	8924
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%	1278197	1278197	1.00	12782
Classes III, VII and VIII (other)	35	25%				13260
Class IV (other)	36	1%	392916	263865	0.85	3340
Class V	37	1%				
Class VI	38	1%				
Total	39					98616

Insurance market risk capital component

Life protection and permanent health reinsurance	41	0%	89	89		
Classes I (other), II and IX	42	3%	7095231	5877675	0.85	180928
Classes III, VII and VIII (investment risk)	43	3%	981706	892438	0.91	26773
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%	1278197	1278197		
Classes III, VII and VIII (other)	45	0%	28891453	28742738		
Class IV (other)	46	3%	392916	263865	0.85	10019
Class V	47	0%				
Class VI	48	3%				
Total	49		38639592	37055002		217721

Long term insurance capital requirement	51					382399
						400162

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

***0201* - Direction modifying the Accounts and Statements Rules**

The Financial Services Authority (FSA), on application of the firm, made a direction in April 2007 under section 148 of the Act. The effect of the direction was to modify rule IPRU (INS) 3.7 (replaced by COBS 21.3 on 1 November 2007) so that the firm could continue to retain a holding of Greycoat plc bonds which are in default as assets within the linked fund.

The FSA issued to the firm, in November 2007, a direction under section 148 of the Act. The effect of this direction is stated in notes 1322 and 1901.

***0204* - Interfund Transfer**

The scheme governing the financial re-organisation of AXA Sun Life in 2001 (the "Scheme") details arrangements under which assets from the inherited estate, attributed to AXA through the re-organisation, may be transferred on a temporary, or permanent, basis to the with-profits funds as required to support the capital requirements of these funds, as determined under the Scheme. In the case of a temporary transfer, assets and related investment income remain attributable to AXA as they will be returned when they are no longer required to support the capital requirements of the with-profits funds, under the stringent tests set out in the Scheme. If all or part of the assets transferred are unlikely to be returned in the foreseeable future (taking into consideration the duration of the in force with-profits policies), then the relevant part of the transfer would be designated permanent. Only a permanent transfer to the with-profits funds would result in a charge against the profit and loss account. The maximum amount that could be transferred under the Scheme is capped at the surplus assets from time to time in the non-profit funds, which had a market value of £1bn at 31 December 2007 (2006: £1.3bn).

As at 31 December 2007, the transfer to the with-profits fund has a value of £nil (2006: £nil). Under the rules of the Scheme an annual test ("The Test") must be performed at least once in a 12 month period and may result in an additional transfer. The completion of The Test, based on an effective date of 1 January 2008, is not expected to lead to a further transfer.

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

	2007	2006
	£000	£000
Grand total of admissible assets after deduction of market risk and counterparty limits – other than long term business	38,725	19,739
Grand total of admissible assets after deductions of market risk and counterparty limits – long term business	41,478,955	13,078,262
Mathematical reserves, after distribution of surplus	(37,055,002)	(8,678,651)
Cash bonuses which had not been paid to policyholders prior to end of the financial year	(45)	(13)
Total other insurance and non-insurance liabilities	(959,167)	(492,229)
Total liabilities – other than long term business	(126,796)	(120,519)
Total capital resources after deductions	3,376,670	3,806,589

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

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

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

As at the valuation date:

- No allowance is made for this arrangement in the mathematical reserves at the valuation date as repayments are contingent on future profits of the Company. Thus the reinsurance offset (i.e. the amount of the difference between the mathematical reserves at the valuation date were this arrangement to be ignored and the amount of the mathematical reserves after deducting the reserves reinsured) was zero.
- The amount of the Company's contingent liability under this arrangement at the valuation date was £105.4m.
- There is no formal provision to terminate this agreement for existing business, so there is no commutation value.

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

The Company has an outstanding contingent loan provided by AXA Sun Life Holdings plc (ASLH), to be repaid out of surpluses emerging on business transferred in from Sun Life Unit Assurance Limited (SLUA), Sun Life Pensions Management Limited (SLPM) and PPP lifetime care plc (PPP) (Note 1603 and 4004). This arrangement is reported in line 94 (Outstanding contingent loans). As at the valuation date the amount still to be repaid was £300m. The commutation value (the amount payable to ASLH to terminate the arrangement) was the same amount.

***0310* - Valuation differences**

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

	2007	2006
	£000	£000
Difference between mathematical and realistic reserves	1,561,286	1,373,229
Differences arising on the valuation of provisions, deferred income and reserves arising from the implementation of FRS 26	260,077	79,806
Amount due under reinsurance contract with SLAS (Note 0306)	105,447	-
Contingent Loan (Note 0308)	300,000	-
Note 1405	2,226,810	1,453,035
Valuation difference on group holding	-	(7,828)
	2,226,810	1,445,205

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

The reduction in the valuation of an equity holding in a group undertaking reflects the amount recoverable under terms of an agreement giving pre-emptive rights to AXA.

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

	2007	2006
	£000	£000
Profit and loss account and other reserves brought forward	1,726,070	1,479,685
Profit/(loss) retained for the financial year	712,888	(19,568)
Profits recognised in the statutory accounts under the modified statutory basis retained in the long term fund for FSA reporting	86,953	191,094
Statutory accounts restatement of brought forward reserves on implementation of FRS 26	-	76,109
Goodwill amortisation	(981)	(1,250)
Profit and loss account and other reserves carried forward	<u>2,524,930</u>	<u>1,726,070</u>

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

Provisions in line 51 are discounted where they are in respect of claims in the form of annuities.

1301

&

***1308* - Aggregate value of assets**

	2007	2006
	£000	£000
The aggregate value of:-		
(i) Unlisted investments	355,552	270,802
(ii) Investments which are not readily realisable	13,471	-
(iii) Units in collective investment schemes that are not schemes falling within the UCITS Directive	1,602	-

1304

&

***1310*- Amounts set off**

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

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

1305

&

***1319* - Maximum counterparty limits**

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

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

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

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

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

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

AXA RATING	Corporate	Supra National and Government Related	Non Domestic Sovereign	Domestic Sovereign
AAA	4.0%	No Limit	No Limit	No Limit
AA+	3.3%			
AA	3.0%			
AA-	2.5%			
A+	2.0%	2.0%	2.0%	
A	1.6%	1.6%	1.6%	
A-	1.2%	1.2%	1.2%	
BBB+	1.0%	1.0%	1.0%	
BBB	0.7%	0.7%	0.7%	
BBB-	0.4%	0.4%	0.4%	

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

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

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

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

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

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

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

During 2007 the maximum permitted aggregate holding across all the relevant portfolios of UK equity exceeded the limit of 10% of the free float in respect of four counterparties.

Portfolios within this Company held investments with three of these counterparties when the limits were breached. Approximately 27%, 39% and 55% of the aggregate holding with these three counterparties across all relevant portfolios of UK equity was held by the Company. The maximum aggregate holding across all relevant portfolios with these counterparties was 0.63%, 0.53% and 0.16% of the total equity portfolio. The fund manager has been instructed to sell the relevant investments when feasible in order to resolve the breaches.

Breaches in respect of cash and fixed income are monitored at a total UK group level. During the year the maximum exposure limits to a single counterparty for fixed income were breached in respect of one counterparty for portfolios within the Company. No action has been taken to correct the breach, given that the limit was breached at the end of November and it was not considered feasible to sell the relevant investments in order to correct the breach before 31 December 2007.

1306

&

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

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

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

The aggregate value of hybrid securities included at line 46 and 48 is £1,324m (2006: £895.1m).

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

1313 - Aggregate value of certain fully secured rights

The aggregate value of fully secured rights on 31 December 2007 was £1,588.8m (2006: £2,873.1m).

1318 - Other asset adjustments

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

	Other than Long Term		Long Term	
	2007 £000	2006 £000	2007 £000	2006 £000
Inadmissible Assets	-	981	-	66,152
Valuation Difference	-	-	-	7,828
Gross up of derivative contracts and cash	-	-	881	(1,644)
Gross up of liabilities within the internal linked funds	-	-	(211,096)	-
Gross up of current tax assets included in liabilities to enable a sub fund split	-	-	(27,433)	-
Other Gross ups	-	-	(1,141)	-
Internal reinsurance not recognised as such within the Statutory Accounts	-	-	-	5,068,202
	-	981	(238,789)	5,140,538

For 2007, directly held inadmissible assets are disclosed in Form 13, Line 93 following a change to the presentation of Form 13.

1321 - Allocation of Assets

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

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

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

The FSA issued to the firm, in November 2007, a direction under section 148 of the Act. The effect of the direction is to allow the firm to include assets available to support the New With Profits Funds in its realistic balance sheet (at line 27 of Form 19), in accordance with the firm's Reorganisation Scheme. Those assets are comprised of £1bn which is included at line 89 of this form for Non Profit Fund One and £851m which is included at line 92 of this form for Non Profit Fund One and Non Profit Fund Two, from which is made a deduction of the tax on shareholders' share of future bonuses payable from the New With Profits Fund and a deduction of assets that are not lendable to the New With Profits Fund under the firm's Reorganisation Scheme

1401

&

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

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

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

1402

&

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

a) Charges on assets

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

b) Provision for capital gains tax

A capital gains tax liability of £115m (2006: £170m) would arise if the Insurer was to dispose of all its assets. This liability has been included within Form 14 Line 21.

c) Contingent liabilities

On 27 December 2007 the Company issued £300m of contingent loan notes at 5.7%, which were purchased by ASLH (Note 0308). The repayment is contingent on profits arising on the business transferred under the Part VII scheme from SLUA, SLPM and PPP from 1 January 2008.

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

d) Guarantees, indemnities or other contractual commitments

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

e) Other uncertainties

Levies are made under the Financial Services Compensation Scheme (FSCS) to compensate consumers in the event of the failure of any firm authorised under the Financial Services and Markets Act 2000. At the end of the financial year, no amounts had been provided for such levies.

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

***1405* - Other liability adjustments**

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

	2007	2006
	£000	£000
Inadmissible deferred tax asset in Non Profit Fund One shown as part of the total net deferred tax liability under the insurance accounts rules	(111,570)	(47,038)
Internal reinsurance not recognised as such within the Statutory Accounts (note 4013)	-	5,068,202
Gross up of derivative contracts and cash	881	(1,644)
Gross up of liabilities within the internal linked funds	(211,096)	-
Gross up of current tax assets included in liabilities to enable a sub fund split	(27,433)	-
Other Gross ups	(1,141)	-
Valuation difference (note 0310)	2,226,810	1,453,035
	1,876,451	6,472,555

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

The value of non-linked assets in the Old With Profits Fund increased during the year by £59.7m (2006: decrease of £25.1m). For the New With Profits Fund there was an increase during the year of £122.9m (2006: decrease of £114.3m).

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

***1412* - Valuation deficit**

In the prior year within Non Profit Fund Two, a valuation deficit is shown on Form 14 Line 13. The deficit is offset by an allocation of the inherited estate to Non Profit Fund Two, shown in Non Profit Fund One as a reduction in the excess of net admissible assets per Form 14 Line 51 and a reduction in assets per Form 13 Line 89. In Non Profit Fund Two this is shown as an increase in the excess of net admissible assets per Form 14 Line 51, and an increase in assets per Form 13 Line 89. In 2007 the valuation deficit has been made good by the contingent loan from ASLH (Note 0308).

1601

&

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

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

***1603* - Other income and charges**

The amount included at line 21 relates to:

	2007	2006
	£000	£000
Audit Fees	(1,202)	-
Increase in provisions for bad debt	(286)	-
Other expenses	(2)	-
Exceptional Item	679,260	-
	677,770	-

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

There were no exceptional items arising in the financial year ended 31 December 2006.

***1700* - Submission of blank form**

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

***1701* - Variation margin**

No excess variation margin has been received. No variation margin is included in respect of the long term business fund or the other than long term business fund.

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

***1702* – Use of quasi derivatives**

- a) The aggregate value of rights under derivative contracts or in respect of assets either of which have the effect of derivative contracts did not exceed 2.5% of the assets at line 89 of Form 13.
- b) The aggregate amount of liabilities under contracts or in respect of assets either of which have the effect of derivative contracts did not exceed 2.5% per cent of the aggregate amounts shown at either lines 15 to 39 of Form 14 or lines 31 to 51 of Form 15.

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

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

***4002* - Other income**

In December 2007 the Company issued £300m of contingent loan notes, which were purchased by ASLH. Repayment is contingent on surplus arising on the business transferred to the Company under the Part VII scheme (note 0308). Under INSPRU 1.2.79(2) this liability does not need to be separately valued and as such the proceeds received from the issue are recognised as income in Form 40 line 15.

***4004* - Business transfers-in**

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

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

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

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

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

***4008* - Management services**

During the financial year ended 31 December 2007 investment management services have been provided to the Company by AXA Investment Managers UK Limited. Various other management services have been provided by AXA Sun Life Services plc, a fellow subsidiary company.

***4009* - Material connected party transactions**

During the financial year ended 31 December 2007 the Insurer carried out the following transactions which exceed 5% of the Insurer's liabilities arising from its long-term insurance business, excluding property linked liabilities and net of reinsurance ceded.

Transacting Party	Relationship	Type of Transaction	Amount £000
Sun Life Assurance Society plc	Group	Reassurance	318,672
	Undertaking	premiums received	
Sun Life Assurance Society plc	Group	Reassurance claims	1,310,699
	Undertaking	paid	
AXA Annuity Company Limited	Group	Reassurance	1,242,219
	Undertaking	premiums ceded	

On 1 January 2007 the long term and shareholder funds of SLUA, SLPM and PPP were transferred into ASL (note 1603 and 4004).

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

The amount of investment income relating to linked assets in Line 12 of Form 40 for the Old With Profits Fund is £Nil (2006: £Nil). For the New With Profits Fund it is £0.1m (2006: £0.3m)

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

The Transfer from the New With Profits Fund into the non technical account constitutes a distribution of surplus of £26.0m (2006: £16.8m).

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

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

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

***4201* - Analysis of Claims**

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

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

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

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

The gross aggregate value of rights under derivative contracts, or in respect of assets which have the effect of a derivative contract, was £27.3m (£31.0m excluding variation margins).

***4502* - Other income and expenditure**

The amount at line 14 relates to:

	2007	2006
	£000	£000
Rebated unit trust charges	41,144	-
Other	470	-
Internal linked funds transferred in under Part VII scheme	29,112,737	-
	29,154,351	-

The amount at line 26 relates to:

	2007	2006
	£000	£000
Investment management expenses	5,562	-
Transaction costs on investment purchases	23,728	-
	29,290	-

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

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

415 Collective Life 1 scheme

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

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

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

UK Pension / Direct insurance business

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

Overseas / Direct insurance business

700	Life property linked single premium	the average case size for the equivalent UK category was assumed to apply here
-----	-------------------------------------	--

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

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

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

(b) For conventional with profits business the asset mix used as at 31 December 2007 was as follows:

UK Equities	36.9%
Overseas Equities	13.4%
Properties	12.5%
Fixed Interest	34.7%
Other	2.5%

This applies to the following bonus series:

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

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

For unitised with profits policies with either no maturity date or more than one third of the term remaining the asset mix used as at 31st December 2007 was as follows:

UK Equities	49.3%
Overseas Equities	17.9%
Properties	16.7%
Fixed Interest	14.9%
Other	1.2%

This applies to the following bonus series:

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

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

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

In the case of a fixed interest security that may be redeemed at different dates at the option of the issuer, the yield is initially determined with reference to the final redemption date. For a security where the resulting yield is significantly different from that expected based on market yields, the yield is adjusted to equal that determined by reference to the relevant earlier date. The total value included in Form 49 line 61 in respect of securities that may be redeemed at different dates at the option of the issuer is £411m.

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

***4804* - Yields of 'other assets'**

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

	Market value	Yield
	£m	%
Cash	978	3.76%
Derivative exposure (assumed to receive the cash return)	(90)	3.76%
Policy loans	13	4.78%
Miscellaneous assets bearing little or no income	477	0.31%

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

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

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

The weighted average in line 29 of column 5 is that applicable to asset shares of unitised with profits policies that either do not have a maturity date or are not in the last third of the policy term. Other policies have a different asset mix.

***4807* - Reconciliation with Form 50**

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

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

***4901* - Source of credit ratings**

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

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

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

415	Collective Live	7 schemes
420	Group income protection	4 schemes

***5103* - Products classified as miscellaneous**

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

- Conventional endowment with profits not classified by a specific product code

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

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

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

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

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

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

- Unitised with profits ISA (single premium)

***5204* - Approximations used to apportion between product codes**

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

***5301* - Number of group schemes with no member records**

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

765 Group Managed Fund	162 schemes
------------------------	-------------

Name of Insurer **AXA Sun Life Plc**

Financial year ended **31 December 2007**

NOTES TO THE RETURN

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

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

- Health Care Income Plan (unit-linked income protection)
- Lifetime Care Bond

***5304* - Approximations used to apportion between product codes**

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

***5403* - Products classified as miscellaneous**

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

- Index-linked income protection claims in payment
- Index-linked Individual Lifetime Care Plans
- Index-linked Immediate Lifetime Care Plans written as PHI business

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

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

VALUATION REPORT

Throughout this report the following notation is used:

the Company	denotes	AXA Sun Life Plc
AELLAS	denotes	AXA Equity & Law Life Assurance Society Plc
SLAS	denotes	Sun Life Assurance Society Plc
SLPM	denotes	Sun Life Pensions Management Limited
SLUA	denotes	Sun Life Unit Assurance Limited
PPPlc	denotes	PPP Lifetime Care Plc
AAC	denotes	AXA Annuity Company Limited
1 basis point (bps)	denotes	0.01%.

The business of AELLAS was transferred to the Company in 2001.

Reorganisation of AXA Life Group

On 7 July 2006, the High Court approved a transfer of business within the AXA Life Group, under Part VII of the Financial Services and Markets Act 2000, whereby a reorganisation took place on 1 January 2007. This resulted in the transfer of business from SLUA, SLPM and PPPlc to the Company, and changes to the internal reinsurance arrangements described below. This reorganisation has been reflected in this valuation for the first time.

Internal reinsurance arrangements from 1st January 2007

The internal unit-linked funds of the AXA Life Group previously operated by SLPM (for pensions business) and SLUA (for life business) are now operated by ASL.

Policies linked to internal unit-linked funds that were previously reinsured to either SLAS, SLUA or SLPM have now been recaptured by ASL.

Establishment of AXA Annuity Company Limited

AXA Annuity Company Limited was formed on 6th September 2007 as a new company within the AXA Life Group. On 31st December 2007 a new reinsurance arrangement was established with AAC whereby the Company ceded all its annuity business written in Non Profit Fund 2 to AAC.

1. Valuation date

- (1) The actuarial investigation relates to a valuation date of 31 December 2007.
- (2) The valuation date of the previous investigation was 31 December 2006.
- (3) There have been no interim valuations (for the purpose of IPRU(INS) rule 9.4) since the previous valuation date.

2. Changes to product range in 2007

Non Profit Protection

A new series of stand alone and accelerated critical illness policies were introduced in April 2007. Cover on these policies is based on updated ABI critical illness definitions in order to provide for a wider range of perils.

The products replaced by this new series were closed to new business.

Enhanced Annuities

In November 2007 a pilot was launched to sell enhanced annuities to customers with below standard life expectancy. The business will be written into the Pension Non Profit fund (NPF2) and subsequently reinsured to AAC.

Statement relating to with profits business

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

3. Discretionary charges and benefits

(1) Application of Market Value Reduction

During 2007, a Market Value Reduction (MVR) was applied on discontinuance (where permitted, and subject to relevant minima) in respect of the following unitised with profits products effected in the policy years set out below.

Date MVR determined	from to	1 January 2007	5 March 2007
		4 March 2007	31 December 2007
Bonds (Sterling & Euro)		1998-2001	-

For Bonds, MVR rates vary by quarter of entry. For some quarters in the above years, MVR did not apply.

No MVR was applied for Bonds denominated in Dollars.

For certain other unitised with profits contracts, an MVR may have been applied based on an individual policy calculation at the time of discontinuance. General information on policy years of entry of affected policies is not available.

(2) Changes to premiums on reviewable non-linked protection policies

Individual Lifetime Care Plans

The mathematical reserves held for this business at the valuation date is £147m. All reviewable contracts that reached a review date in 2007 have been reviewed, this total £71m of mathematical reserves. The reviewability of a policy is determined by the following conditions:

- Contracts written prior to 1st September 1994 may be reviewed at any time.
- For contracts written after 1st September 1994 but before 1 July 1996, the first review will take place after 10 years;
- For those written after 1 July 1996 but before 1 May 2003, the first review will take place after 10 years with subsequent reviews being 5 yearly;
- For contracts written after 1 May 2003, the reviews will take place every 5 years.

- For single premium contracts written after 19 June 2000 (or with application date after 1 June 2000) but before 1 May 2003, no reviews will take place after age 70;
- For single premium contracts written after 1 May 2003 no reviews will take place after age 85;
- For regular premium contracts written after 19 June 2000 (or with application date after 1 June 2000) no reviews will take place after age 89.

At review policyholders are given, as appropriate, options of amending premium amounts to maintain the current benefit level, or selecting an equivalent amendment to the benefits under the contract. The following table provides “quoted” ranges of premium increases that applied to the majority of policies going through a first review during 2007.

	% increase from	% increase to
First Review	-32%	356%

It should be noted that the premium increase option quoted may not have been chosen in all cases.

For second and subsequent reviews the majority of cases had a neutral or favourable review (over 85% of cases). For neutral or favourable reviews there was often no change to premiums quoted, instead the benefits under the contracts remained the same or increased.

Individual Critical Illness and Individual Permanent Health Insurance

The premiums for these contracts can be reviewed at any time. No reviews were carried out during 2007. The total mathematical reserves for this business are £4.8m.

Individual Lifetime Care Bond

These unit-linked contracts are reviewed annually. The purpose of the review is to provide the policyholder with an indication of whether the current unit fund will be sufficient to meet the desired future benefits. The policyholder decides what action, if any, is to be taken following a review. In some cases the policyholder may decide to pay an additional premium to top-up the value of their bond.

(3) Non-profit deposit administration benefits

The rate of growth added to non-profit deposit administration benefits during 2007 was 4.25%, less the rate of annual fund management charge relevant to the policy.

(4) Service charges on linked policies

Service charges for unit-linked policies changed as follows during 2007 or with effect from 1 January 2008:

No change:

Low-cost Homebuyers Plan
Multivestor
Unit-linked pensions (except where described below)

Increase of approximately 3.9% (in line with Retail Prices Index to July 2007):

Multiplan
Health Care Income Plan
Flexible Pensions (except paid-up pensions)

Increase of approximately 4.3% (in line with Retail Prices Index to September 2007):

Flexible Cover Plan
Flexible Mortgage Plan

Increase of approximately 4.3% (in line with Retail Prices Index to October 2007):

Individual Lifetime Care Bond

Increase in line with Retail Prices Index dependent on policy anniversary date:

Homebuyers' Investment Plan

Increase of approximately 3.5% (in line with National Average Earnings Index to July 2007):

Private pension funds

(5) Benefit charges on linked policies

No changes to mortality or morbidity charges for unit-linked policies took place during 2007.

(6) Fund management charges

During 2007, there were no changes affecting existing policies to fund management charges for internal unit-linked funds. There are no notional charges to accumulating with profits policies.

(7) Unit pricing methods

Funds other than Group Managed Funds and Ex-PPP Lifetime Care Funds

For each fund, asset prices are normally obtained at 2 pm on each business day. For funds which have investment in external OEICs, the prices calculated by the OEIC provider will be included in that days calculation of the unit price.

The assets are normally valued on a creation basis (i.e. the price at which assets could be bought), unless it is known that there is a net outflow, in which case the assets are normally valued on a cancellation basis (i.e. the price at which assets could be sold). However, judgement is exercised by the Company as to which basis to use, or whether to use an intermediate basis, depending on the expected trend of net inflows and outflows, to ensure fairness to incoming, outgoing and continuing unit holders. In each case allowance is made for dealing costs, accrued income and any tax implications.

For some funds, the creation or cancellation price, as appropriate, is then calculated from the previous working day's price using the percentage change in net asset value and making allowance for net new money into the fund. For other funds, the creation or cancellation price, as appropriate, is calculated by dividing the net asset value by the number of units.

If a creation price basis is being used, the offer price is derived by multiplying the creation price by an offer price factor, with an adjustment for fund management charges. If a cancellation price basis is being used, the offer price is derived by multiplying the cancellation price by an offer price factor, with an adjustment for fund management charges. The bid price is the resulting offer price multiplied by the reciprocal of the offer price factor.

For funds with a 5% bid-offer spread, the offer price factor is 100/95. For funds with no bid-offer spread, the offer price factor is 1.

Except for switches, units are allocated to a policy at offer price and cancelled at bid price.

Normally, for new business and payment of regular premiums for existing business, the price used is on a historic basis, i.e. that derived from the asset valuation at 2 pm on the previous business day. For all other transactions the price used is on a forward basis, i.e. that derived at 2 pm on the same day, except for certain switches, where the price used is that derived at 2 pm on the following day. For Premium Select Bond, all transactions into or out of the externally managed funds are priced on a forward basis.

Notwithstanding the normal rules as described above, the policies give the right in certain circumstances to defer transactions for up to one month (or up to six months for Property Fund units). At the end of such periods of deferral the unit prices used in such deferrals will be those determined immediately following such period.

Group Managed Funds

For each group managed fund, unit prices are calculated once a week (the “dealing” day). Ordinarily the dealing day is on a Thursday, but at month ends it is the last business day of the month whilst at the beginning of April it is on the fifth (or equivalent business day). On the dealing day asset prices are normally obtained at close of business on that day. For each fund unit prices are obtained by dividing the middle market prices of the underlying assets by the number of units, with an adjustment for fund management charges.

All purchases and sales of units (including switches) take place at the unit prices adjusted upwards for the average expenses of purchase or downwards for the average expenses of sale. These expenses are based on actual dealing costs and are regularly reviewed. Adjustment may also be made on account of income accrued but not received and expenses incurred but not paid (including provision for any potential liability for tax or other statutory payments).

Ex-PPP Lifetime Care Funds

For internal linked funds available to the Individual Lifetime Care Bond and the Money Market Fund available to the Triple Bonus Bond, prices are determined on a daily basis. For the Balanced Fund available to the Special Investment Bond, unit prices are determined on the first working day of the month.

The Money Market Fund and the Long Term Care Deposit Fund are invested in short term deposits and cash. The remainder of the unit funds are directly invested in unit trusts.

The unit price calculation is influenced by the prevailing trend in net investment into or out of each fund. Judgement is used to determine the prevailing trend.

When the prevailing investment trend is inwards then the unit trust creation price is used to determine the value of unit trust units. When the prevailing investment trend is outwards then the unit trust cancellation price is used.

Units are created or cancelled within each fund at the valuation bid price. This price is determined by taking the value of unit trust units and adjusting for any allowance for distributed income notified but not paid, any associated tax credits, and any investment management charges. This total fund value is divided by the number of units.

Units are purchased by the fund from policyholders at the bid price, which is calculated as the valuation bid price rounded to the lower 0.1p. Units are sold to policyholders at the offer price that is calculated as the bid price multiplied by 100/95 and rounded to the higher 0.1p.

The unit trust assets are valued using the creation price or cancellation price set by the underlying unit trust company on the day of valuation. In general these prices are set at or around 12.00 noon. On any given day the Company deals at the internal prices calculated at the next public valuation which is at 5.00pm

(8) Tax deductions from unit-linked funds

Life Funds

Tax is provided for on realised capital gains at a rate of 20% immediately on realisation. For this purpose, one seventh of the unrealised gains in the period on collective investment schemes is treated as a realised capital gain. The tax due is withdrawn from the funds annually.

Tax relief for losses is given if there are sufficient gains within the same investment fund against which to offset the loss. If there are insufficient gains then the losses are carried forward within the same fund to be utilised at a later date.

Provision is made in the unit pricing for the potential tax liability on unrealised gains (including gains on collective investment schemes that are not treated as realised gains) at a rate of between 15% and 17.5% (dependent on the assets held within the funds). No money is removed from the funds.

Both realised and unrealised capital gains include an allowance for indexation. Tax is provided for in the unit prices on a daily basis.

Other Funds

As only pension and PHI business is transacted, no tax on capital gains is payable, and so there are no deductions for tax.

(9) Tax provisions for unit-linked funds

See 3.(7) and section 3.(8).

(10) Discounts on purchases of units

Ex-PPP Lifetime Care Funds

The arrangements in place with the fund managers allow for unit purchases and sales to be transacted at their creation or cancellation prices respectively. The Company receives no commission payments for unit trust purchases. An exception to this agreement is with Close Fund Managers where a 0.5% initial charge is levied on unit purchases.

An arrangement is in place with certain fund managers whereby the internal funds receive a rebate on the annual management charge levied by the underlying unit trust:

- Lifetime Care JPMF Balanced Fund A	0.75% pa
- Lifetime Care JPMF Balanced Fund B	0.50% pa

These rebates are reflected in the unit price offered to policyholders.

Other Funds

The MLC Bond can be invested in funds managed by external fund managers. Where this is the case, part of the discount received from the fund manager is paid as an allowance to the business partner.

All other discounts and rebates accrue to the benefit of the policyholders. However, policies which invest in these funds are subject to a higher fund management charge than other similar policies. There are no other discounts etc. allowed on purchases, sale or holding of these types of unit.

Fund manager	Discount on Initial Charge %	Discount on Management Charge %
Aberdeen Asset Management	4.25	0.75
Artemis Fund Managers Ltd.	5.00 - 5.25	0.75
Ballie Gifford	1.00	Up to 0.15
Barclays Investor Services	4.00	0.50
BGI	0	0
BlackRock Merrill Lynch	5.00	0.75 - 0.875
Cazenove	5.00	0.50 - 0.75
CF Danske	3.75	0.625 - 0.75
CF Midas	5.00	0.70
CF Miton	4.50	0.50
CF OPM	3.75	0.50 - 0.70
Close	3.00	0.5
Credit Suisse	4.00	0.75
F & C	5.00	0.60 - 0.6875
Fidelity	3.50 - 5.25	0.30 - 0.77
First State Investment Ltd	3.90 - 4.00	Up to 0.50
Framlington	5.25 - 5.50	0.50 - 1.30
Franklin Templeton Investment Ltd.	5.00	0.75
Gartmore Investment Management	5.00	0.50 - 0.75
Hargreaves Lansdown	5.00	0.50
Henderson	0	0
Invesco Perpetual Fund Managers Ltd.	5.00	0.30 - 0.75
Investec	4.50	0.625 - 0.75
JP Morgan	Up to 5.50	Up to 0.75
Jupiter Unit Trust Managers	4.00 - 5.50	0.24 - 0.75
Legg Mason Investments	4.25	0.75
M & G	4.00 - 4.75	0.15 - 0.75
MLC Trust Management	4.50	0.50
Margetts	4.00	0.50
Margetts Greystone	3.00	0.60
Morley Fund Management Ltd	4.50 - 5.00	0.50 - 0.625
New Star Investment Funds Ltd	4.25 - 5.25	0.50 - 0.75
Newton	3.00 - 4.00	0.50 - 0.75
Old Mutual	3.50 - 4.00	0.55 - 0.75
Resolution	4.25	0.55
River & Mercantile	5.25	0.60
Sarasin	5.00	Up to 0.75
Schroders Investments Ltd.	5.10 - 5.25	Up to 0.70
Standard Life Investments Ltd	3.00 - 4.00	0.475 - 0.75
Threadneedle Asset Management Ltd	Up to 3.75	0.20 - 0.75
UBS	4.00	0.90
Way	4.20	0.60

Where more than one rate of discount is shown, the rate varies either by the individual fund selected or by product type.

4. Valuation basis (other than for special reserves)

The valuation bases set out in section 4 relate to groups of products where the gross mathematical reserves or the gross annual premiums exceed £10m. The grouping of products is that relevant to the particular method or assumption.

(1) Valuation methods

General principles and methods used in the valuation

The valuation bases have been determined with regard to the nature and the term of the assets available to meet the liabilities valued.

The reserves were determined on a prudent basis in accordance with actuarial principles, taking account of the underlying nature of the contracts.

Full allowance has been made in the valuation for the effects of the ceding of premiums and risk under the various reinsurance arrangements in place at the valuation date.

Any negative reserves arising on any policy have been eliminated.

A provision has been made to cover the possibility of default by the reinsurers.

Conventional Business

For the majority of business a gross premium method of valuation has been used. No allowance for future bonuses has been made for with profits business.

For products where the reserves otherwise calculated are less than the discontinuance value for a material proportion of policies, the reserve for each policy has been increased where necessary to ensure that it is not less than the amount payable on discontinuance. Furthermore, the reserve is not less than the amount required so that, on the valuation assumptions, this condition will be satisfied at all times in the future.

It is assumed that discontinuance values are payable only in circumstances where the policyholder might reasonably expect a discontinuance value to be paid. The assumed amount of discontinuance value is determined using bases currently in force, excluding amounts arising from future bonus distributions.

For the main classes of life with profits business, an allowance for future voluntary discontinuance has been made; discontinuance values are determined in the same way as described above. No allowance has been made for voluntary discontinuance of with profits pensions business (where almost all policies have attaching Guaranteed Annuity Rates).

Allowance for future voluntary discontinuance has also been made for certain classes of conventional non profit business.

For Individual Lifetime Care Plans and Immediate Lifetime Care Plans, the reserves have been calculated using a discounted cash flow method. The cash flows are derived using a multiple state model allowing for the various possible states of the contract. In addition, a provision has been made in respect of potential claims based on the estimated claims outstanding and probability of payment.

For Individual Permanent Health Insurance contracts, the reserve is set equal to the accumulation of a proportion of the premiums received from inception to the valuation date for all active policies. Reserves are also held for claims in payment and notified claims that have not been admitted.

Provision for investment expenses is made by way of a margin between the yield on the assets and the valuation rate of interest.

For conventional pensions policies in postponed retirement where the benefit at normal retirement date is expressed in the form of a cash sum, the reserves are equal to the value of benefit that would be payable on immediate retirement. This is equal to the cash sum payable at normal retirement date plus interest added in respect of the period of postponement.

Unit-linked Business

For each unit-linked policy the gross reserve is the sum of:

- (i) the value of units allocated at the valuation date, discounted, in the case of capital units and certain accumulation units subject to a discontinuance charge, at a rate not exceeding the rate of future annual management charge or other periodic charges; and
- (ii) a non-unit reserve.

For each individual policy the non-unit reserve is determined by discounting the expected future net cash flow determined on a set of assumptions relating to mortality, interest, expenses and future unit prices. Unit prices are assumed to grow from the prices calculated on the valuation date. Regard is had in the calculations to present and future discontinuance values under each policy so that the total reserve for each policy is adequate for the discontinuance value to be met at any time. For the main classes of pensions business, a prudent allowance for future voluntary discontinuance has been made.

For Multiplans, net cash flows are considered for each year up to and including that of the next expected policy review date. For qualifying policies, consideration is also given to the years beyond this date.

For Individual Lifetime Care Bonds, a traditional cash flow approach to calculating the non-unit reserve was not required due to the close matching of income and expenditure, and the ability to review the risk charging basis for morbidity experience and associated costs. The non-unit liability was calculated as six months risk charges, reduced for the effects of reinsurance. A separate reserve is held for claims in payment.

For classes where it is prudent to do so (mainly group pensions business), the payment of future premiums is ignored in determining the non-unit reserve.

For Healthcare Income Plans an additional reserve is held for unexpired morbidity charges, for claims assumed to be incurred but not yet reported and for current claims in payment.

Unitised With Profits Business and Retirement Savings Schemes

The reserve for each plan is calculated using a gross premium valuation method, with no allowance for future bonuses. For contracts with a Guaranteed Interest Rate, the valuation interest rate is not less than that rate.

The reserve is subject to a minimum to ensure that it is not less than the amount payable on discontinuance. Furthermore, the reserve is not less than the amount required so that, on the valuation assumptions, this condition will be satisfied at all times in the future. In determining the assumed current and future discontinuance values, no allowance is made for any Market Value Reduction (MVR), as no MVR was in force for any class at the valuation date. Accordingly, the amount assumed to be payable on discontinuance is equal to the surrender value of the plan, with no allowance for either any MVR or any final bonus.

For most classes, the calculation of the reserves makes an allowance for future voluntary discontinuance. The assumed amount payable on discontinuance is the same as is used to determine the minimum reserves, as described above. No allowance has been made for voluntary discontinuance of policies subject to a Guaranteed Interest Rate or with an attaching Guaranteed Annuity Rate.

Provision for investment expenses is made by way of a margin between the yield on the assets and the valuation rate of interest.

(2) Valuation interest rates

		31 December 2007	31 December 2006
		%	%
Unitised with profits (except Multipension Series 2) and Retirement Savings Scheme		3.00	3.00
Multipension Series 2		4.00	4.00
Conventional with profits life		3.00	3.00
Conventional with profits pensions		4.00	4.00
Over 50 Plan		3.40	3.80
Other non-profit life		3.60	3.80
Non-profit pensions and other annuities (in-payment and deferred)		4.50	5.00
RPI-linked benefits		1.10	1.20
Unit-linked life		3.60	2.50
Unit-linked pensions		4.50	3.25
Annuity guarantees in payment (except where valued using stochastic methods)		3.80	3.75
Individual Lifetime Care Plan	Active non-linked regular premium	4.50	3.85
	Active non-linked single premium	4.50	4.40
	Non-linked claims	4.50	3.85
	Active index-linked regular premium	1.10	1.00
	Active index-linked single premium	1.10	1.00
	Index-linked claims	1.10	2.10
Individual Permanent Health Insurance	Active	0.00	0.00
	In claim	4.50	4.20
Individual Lifetime Care Bond	Active	0.00	0.00
	In claim	4.50	4.44
Immediate Lifetime Care Plan	Non-linked	4.50	4.70
	Index-linked	1.10	2.30

(3) Risk adjustments to yields

In determining risk adjusted yields reported in Form 57, the following adjustments have been made, in addition to the 2.5% reduction required by INSPRU 3.1.28R.

Fixed interest

The following deductions have been made from gross redemption yields:

Rating	Term to redemption (years)		
	<10 % p.a.	10-20 % p.a.	>20 % p.a.
AAA	0.05	0.11	0.19
AA	0.22	0.34	0.44
A	0.30	0.43	0.52
BBB	0.87	0.98	1.02

Equities

Yields have been reduced by 0.1% and have been constrained not to exceed 4.44% p.a.

Property

Yields have been reduced by 4.00% of the yield.

(4) Mortality

Product group	31 December 2007		31 December 2006	
	Males	Females	Males	Females
With profits endowment assurance (Top Flight)	85% AM80 ult	85% AF80 ult	85% AM80 ult	85% AF80 ult
With profits endowment assurance (Postal Staff Scheme)	57.5% AM92 ult	75% AF92 ult	57.5% AM92 ult	75% AF92 ult
Other with profits endowment assurance	57.5% AM92 ult	75% AF92 ult	57.5% AM92 ult	75% AF92 ult
With profits whole life	100% AM92 ult	120% AF92 ult	85% A67/70 ult	85% A67/70 ult -4
Non-profit endowment assurance	65% AM92 ult	65% AF92 ult	65% AM80 ult	80% AF80 ult
Guaranteed Over 50 Plan	100% ELT14M	115% ELT14F	100% ELT14M	115% ELT14F
Other non-profit whole life	110% AM92 ult	135% AF92 ult	110% AM92 ult	135% AF92 ult
Term assurance (AXA Protection Account)	modified TM92 ult	modified TM92 ult	modified TM92 ult	modified TM92 ult
Other term assurance life	modified AM80 ult	modified AF80 ult	modified AM80 ult	modified AF80 ult
Conventional pensions in deferment	75% AM92 ult	75% AF92 ult	75% AM92 ult	75% AF92 ult
Pensions annuities in payment	82.5% PCMA00 100% medium cohort with 1.7% floor	77.5% PCFA00 75% medium cohort with 1.5% floor	90% PMA92 medium cohort	90% PFA92 short cohort
Non-pensions annuities in payment	75% IM80 C=2010	75% IF80 C=2010	65% IM80 C=2010	65% IF80 C=2010
Deferred pensions annuities and annuity guarantees (after deferment)	80% PCMA00 100% medium cohort with 1.7% floor	75% PCFA00 75% medium cohort with 1.5% floor	85% PMA92 medium cohort	85% PFA92 short cohort

Bonds & Individual Savings Accounts	93% AM80 ult	93% AF80 ult	93% AM80 ult	93% AF80 ult
Low-Cost Homebuyers' Plan, Homebuyers' Investment Plan & Multiplan	modified AM80 ult	modified AF80 ult	modified AM80 ult	modified AF80 ult
Multivestor	modified A67/70 ult	modified AF80 ult	modified A67/70 ult	modified AF80 ult
Other unit-linked life	modified AM80 sel	modified AF80 sel	modified AM80 sel	modified AF80 sel
Flexible pensions (group personal pensions)	modified AM80 ult	modified AF80 ult	modified AM80 ult	modified AF80 ult
Flexible pensions (other)	modified AM80 sel	modified AF80 sel	modified AM80 sel	modified AF80 sel
Group pensions (2002 series)	90.91% AM80 ult	90.91% AF80 ult	90.91% AM80 ult	90.91% AF80 ult
Multipension (series 2)	modified A67/70 ult	modified AF80 ult	modified A67/70 ult	modified AF80 ult
Other unit-linked & unitised with profits pensions	modified A67/70 ult	modified AF80 ult	modified A67/70 ult	modified AF80 ult

Where the mortality table is described above as modified, the following are specimen mortality rates used at 31 December 2007:

Age	Males			Females		
	Non-smoker	Smoker	Aggregate	Non-smoker	Smoker	Aggregate
<u>Term assurance (AXA Protection Account - Associates sales channel)</u>						
25	0.00056	0.00117	n/a	0.00026	0.00050	n/a
35	0.00057	0.00118	n/a	0.00045	0.00087	n/a
45	0.00118	0.00245	n/a	0.00101	0.00194	n/a
55	0.00365	0.00755	n/a	0.00262	0.00506	n/a
<u>Term assurance (AXA Protection Account - IFA sales channel)</u>						
25	0.00052	0.00109	n/a	0.00023	0.00047	n/a
35	0.00053	0.00110	n/a	0.00039	0.00081	n/a
45	0.00110	0.00228	n/a	0.00087	0.00181	n/a
55	0.00339	0.00703	n/a	0.00227	0.00471	n/a
<u>Other term assurance life</u>						
25	0.00043	0.00055	n/a	0.00020	0.00027	n/a
35	0.00044	0.00073	n/a	0.00037	0.00061	n/a
45	0.00125	0.00266	n/a	0.00090	0.00175	n/a
55	0.00407	0.00917	n/a	0.00233	0.00510	n/a
<u>Low Cost Homebuyers' Plan, Homebuyers' Investment Plan & Multiplan – with Lifecare</u>						
25	0.00042	0.00066	0.00049	0.00021	0.00028	0.00023
35	0.00044	0.00080	0.00055	0.00038	0.00057	0.00044
45	0.00133	0.00242	0.00167	0.00096	0.00153	0.00113
55	0.00435	0.00788	0.00543	0.00272	0.00404	0.00311
<u>Low-Cost Homebuyers' Plan & Homebuyers' Investment Plan – without Lifecare</u>						
25	0.00031	0.00049	0.00037	0.00015	0.00021	0.00017
35	0.00033	0.00060	0.00042	0.00029	0.00043	0.00033
45	0.00100	0.00181	0.00125	0.00072	0.00115	0.00085
55	0.00326	0.00591	0.00407	0.00204	0.00303	0.00233
<u>Multiplan – without Lifecare</u>						
25	0.00034	0.00054	0.00040	0.00017	0.00023	0.00019
35	0.00036	0.00065	0.00045	0.00031	0.00046	0.00035
45	0.00108	0.00196	0.00135	0.00078	0.00124	0.00092
55	0.00353	0.00640	0.00441	0.00221	0.00328	0.00253
<u>Multivestor</u>						
25	0.00037	0.00058	0.00043	0.00015	0.00021	0.00017
35	0.00038	0.00068	0.00047	0.00026	0.00039	0.00030

45	0.00112	0.00203	0.00140	0.00065	0.00104	0.00077
55	0.00363	0.00657	0.00453	0.00184	0.00274	0.00211
<u>Other unit-linked life</u>						
25	0.00049	0.00072	n/a	0.00024	0.00034	n/a
35	0.00056	0.00082	n/a	0.00046	0.00066	n/a
45	0.00169	0.00246	n/a	0.00118	0.00171	n/a
55	0.00549	0.00802	n/a	0.00325	0.00470	n/a
<u>Flexible pensions (group personal pensions)</u>						
25	n/a	n/a	0.00050	n/a	n/a	0.00023
35	n/a	n/a	0.00057	n/a	n/a	0.00045
45	n/a	n/a	0.00171	n/a	n/a	0.00116
55	n/a	n/a	0.00556	n/a	n/a	0.00318
<u>Flexible pensions (other)</u>						
25	0.00048	0.00071	0.00053	0.00023	0.00034	0.00026
35	0.00055	0.00080	0.00060	0.00045	0.00064	0.00049
45	0.00165	0.00241	0.00181	0.00116	0.00167	0.00127
55	0.00537	0.00784	0.00591	0.00318	0.00459	0.00350
<u>Multipension (series 2)</u>						
25	0.00027	0.00042	0.00032	0.00011	0.00015	0.00012
35	0.00028	0.00050	0.00035	0.00019	0.00029	0.00022
45	0.00082	0.00149	0.00103	0.00048	0.00076	0.00056
55	0.00266	0.00482	0.00332	0.00135	0.00201	0.00154
<u>Other unit-linked and unitised with profits pensions</u>						
25	0.00057	0.00087	0.00066	0.00023	0.00032	0.00026
35	0.00058	0.00103	0.00072	0.00040	0.00059	0.00045
45	0.00170	0.00308	0.00212	0.00099	0.00157	0.00116
55	0.00550	0.00996	0.00687	0.00279	0.00415	0.00319

For annuities in payment and deferred annuities, expectations of life are as follows:

Product group	Current age	Age at which expectation is determined	31 December 2007		31 December 2006	
			Males years	Females years	Males years	Females years
Pensions annuities in payment		65	24.8	27.3	22.7	25.0
		75	15.5	17.5	14.0	16.0
Non-pensions annuities in payment		65*	22.7	25.7	21.2	24.3
		75	15.2	17.2	13.9	16.0
Deferred pensions annuities	45	65	28.9	30.8	24.2	26.5
	55	65	27.0	29.1	23.8	26.0
Annuity guarantees	45	65	25.7	28.3	24.2	26.4
	55	65	25.7	28.3	24.2	26.4

* There is little non-pensions annuity business at this age; the average age of annuitants exceeds 80.

Additional reserves totalling £1.8m have been included on account of the increased risk associated with HIV/AIDS. They have been determined having regard to the assumptions corresponding to one third of Projection R6A of the Institute of Actuaries AIDS Working Party.

No additional reserves are held in respect of the possible detrimental impact of other changes in the incidence of disease or developments in medical science.

Individual Lifetime Care Plans

This product provides long-term care benefits to the policyholder. The tables for both healthy and claim mortality used in the multi-state model to value these contracts have been constructed based on the experience of the office from 1994 up to and including 2006. There is an adjustment to the base tables of 1% p.a. and 0.5% p.a. for mortality improvement of healthy and claim mortality respectively. In addition to the allowances for mortality improvement, there are also prudent margins of 5% and 2% on healthy and claim mortality respectively.

Immediate Lifetime Care Plan

The mortality table for each life is uniquely determined by applying a flat percentage to the base mortality table (IM80/IF80 C2001), using an individually assessed best estimate of life expectancy. An allowance for future mortality improvement is built into the best estimate of life expectancy, depending on the health conditions of each life. There is also a prudent margin of 10% on the mortality rates. It is not appropriate to indicate example mortality rates as they are unique to each policy.

Individual Lifetime Care Bond

This contract provides long term care benefits to the policyholder. The mortality assumption is built into the charging annuity factors used in the calculation of the non-unit reserves. The charging annuity factors vary by age, gender, cover type and deferred period. The deferred period is defined as the number of months for which the unit fund value is estimated to last in the event of a long term care benefit claim.

(5) Morbidity

AXA Protection Account (IFA sales channel)

Specimen critical illness inception rates used at 31 December 2007 and 31 December 2006 for term assurance with accelerated critical illness are set out in the following table. The rates are based on reinsurers' risk premium rates. The corresponding mortality rates are set out in 4.(4).

Age	Males			Females		
	Non-smoker	Smoker	Aggregate	Non-smoker	Smoker	Aggregate
25	0.00046	0.00074	n/a	0.00064	0.00073	n/a
35	0.00122	0.00197	n/a	0.00178	0.00202	n/a
45	0.00387	0.00625	n/a	0.00430	0.00487	n/a
55	0.01071	0.01731	n/a	0.00905	0.01025	n/a

Term assurance with accelerated critical illness benefit (other than AXA Protection Account)

Specimen combined mortality and critical illness inception rates used at both 31 December 2007 and 31 December 2006 are set out in the following table. The rates are based on reinsurers' risk premium rates.

Age	Males			Females		
	Non-smoker	Smoker	Aggregate	Non-smoker	Smoker	Aggregate
25	0.00120	0.00196	n/a	0.00080	0.00139	n/a
35	0.00166	0.00279	n/a	0.00172	0.00302	n/a
45	0.00410	0.00812	n/a	0.00396	0.00722	n/a
55	0.01054	0.02336	n/a	0.00870	0.01813	n/a

Unitised policies with additional Lifecare (critical illness) benefit

Specimen critical illness inception rates used at both 31 December 2007 and 31 December 2006 are set out in the following table. The rates are based on reinsurers' risk premium rates.

Age	Males			Females		
	Non-smoker	Smoker	Aggregate	Non-smoker	Smoker	Aggregate
<u>Low Cost Homebuyers' Plan & Homebuyers' Investment Plan (pre-1998)</u>						
25	0.00038	0.00060	0.00044	0.00043	0.00059	0.00048
35	0.00080	0.00144	0.00099	0.00107	0.00159	0.00122
45	0.00289	0.00525	0.00362	0.00252	0.00400	0.00296
55	0.00829	0.01503	0.01037	0.00643	0.00955	0.00734
<u>Low Cost Homebuyers' Plan & Homebuyers' Investment Plan (1998 and after)</u>						
25	0.00035	0.00055	0.00041	0.00040	0.00055	0.00044
35	0.00074	0.00133	0.00092	0.00099	0.00147	0.00113
45	0.00268	0.00486	0.00335	0.00233	0.00370	0.00274
55	0.00768	0.01392	0.00960	0.00595	0.00884	0.00680
<u>Multiplan (pre-1998)</u>						
25	0.00041	0.00063	0.00048	0.00046	0.00063	0.00051
35	0.00083	0.00147	0.00103	0.00110	0.00162	0.00125
45	0.00293	0.00528	0.00365	0.00255	0.00403	0.00299
55	0.00833	0.01507	0.01040	0.00646	0.00958	0.00738
<u>Multiplan (1998 and after)</u>						
25	0.00038	0.00059	0.00044	0.00043	0.00058	0.00047
35	0.00077	0.00137	0.00095	0.00102	0.00150	0.00116
45	0.00271	0.00489	0.00338	0.00236	0.00373	0.00277
55	0.00771	0.01395	0.00963	0.00598	0.00887	0.00683

Individual Lifetime Care Plans

The tables for claim inception rates used in the multi-state model to value the long term care benefit under these contracts have been constructed based on the experience of the office for all years up to and including 2006. There is an adjustment to the base tables of 10% of the morbidity rates to act as a prudent margin. The model assumes no recoveries.

There are three claim states used within the model, defined by the state of health of each policy in claim. The state of health is assessed through the failure of a number of Activities of Daily Living (ADLs), such as washing or dressing. In addition, a life can become a claim through a cognitive impairment.

Specimen independent base morbidity rates to the three claim states for females are as follows:

Age	2ADL 2007	3 A D L + 2007	Cognitive 2007	2ADL 2006	3ADL+ 2006	Cognitive 2006
25	0.00015	0.00016	0.00024	0.00015	0.00019	0.00021
35	0.00015	0.00016	0.00024	0.00015	0.00019	0.00021
45	0.00015	0.00016	0.00024	0.00015	0.00019	0.00021
55	0.00049	0.00051	0.00075	0.00063	0.00081	0.00086

Specimen independent base morbidity rates to the three claim states for males are as follows:

Age	2ADL 2007	3 A D L + 2007	Cognitive 2007	2ADL 2006	3ADL+ 2006	Cognitive 2006
25	0.00009	0.00028	0.00019	0.00012	0.00023	0.00019
35	0.00009	0.00028	0.00019	0.00012	0.00023	0.00019

45	0.00009	0.00028	0.00019	0.00012	0.00023	0.00019
55	0.00026	0.00080	0.00055	0.00038	0.00072	0.00060

Note:- very little business is covered by the specimen rates required by IPRU(INS) Rule 9.31(a). The average age for this product is around 75. Specimen independent base morbidity rates for the average age are as follows:

Age 75	2ADL 2007	3 A D L + 2007	Cognitive 2007	2ADL 2006	3 A D L + 2006	Cognitive 2006
Female	0.00241	0.00249	0.00360	0.00229	0.00251	0.00429
Male	0.00163	0.00459	0.00398	0.00231	0.00461	0.00481

Individual Lifetime Care Bond

The valuation model assumes there are no recoveries once in claim. This is prudent as reserves are released on recoveries.

Specimen inception rates for the provision of long term care benefits, which are the same for 2006 and 2007, are shown below split by gender and cover type.

Age	M a l e Diamond Cover	M a l e Premier Cover	M a l e Select Cover	F e m a l e Diamond Cover	F e m a l e Premier Cover	F e m a l e Select Cover
25	0.00045	0.00045	0.00045	0.00045	0.00045	0.00045
35	0.00045	0.00045	0.00045	0.00045	0.00045	0.00045
45	0.00045	0.00045	0.00045	0.00045	0.00045	0.00045
55	0.00139	0.00139	0.00087	0.00100	0.00100	0.00075

Note:- very little business is covered by the specimen rates required by IPRU(INS) Rule 9.31(a). The average age for this product is around 70. Specimen inception rates for the average age are as follows:

Age	M a l e Diamond Cover	M a l e Premier Cover	M a l e Select Cover	F e m a l e Diamond Cover	F e m a l e Premier Cover	F e m a l e Select Cover
70	0.00590	0.00590	0.00337	0.00403	0.00403	0.00245

(6) Expenses

Gross annual per policy expense levels assumed to apply for the specified products are set out below. These are based on the actual fees payable to AXA Sun Life Services plc under the Management Services Agreement, and have been uplifted in respect of expenses not covered by the Agreement. A further uplift has been included to make prudent allowance for the outcome of a fee review under the terms of the Agreement, which is due to be implemented during 2008, but which has not yet been completed.

Product	Product codes	31 December 2007 £ p.a.	31 December 2006 £ p.a.
<i>Conventional With Profits</i>			
Endowment (savings)	120	13.88	12.31
Endowment (target cash)	125	46.27	41.05
Pensions	155, 165	46.27	41.05
<i>Non-profit</i>			
Term assurance	325, 330	24.98	41.05

Critical illness	340 – 355	24.98	15.76
Annuity	400	23.13	20.52
<i>Unitised with profits</i>			
Bonds	500	46.27	41.05
Endowment (savings)	510	34.70	41.05
Endowment (target cash)	515	46.27	41.05
Individual pensions (regular premium)	525	92.53	82.10
Individual pensions (single premium)	525	23.12	20.52
Group pensions (regular premium)	535	46.27	41.05
Group pensions (single premium)	535	23.13	20.52
<i>Unit-linked</i>			
Bonds	700	46.27	41.05
Endowment (savings)	715	46.27	41.05
Endowment (target cash)	720	46.27	41.05
Individual pensions (regular premium)	725	46.27	41.05
Individual pensions (single premium)	725	17.58	20.52
Group pensions (regular premium)	735	17.58	41.05
Group pensions (single premium)	735	17.58	15.60

Where different expense assumptions apply to groups of policies within the above product types, the assumption shown is that relating to the largest group by number of policies. This explains the larger changes in several of the business groups from last year. In the case of individual and group pensions, paid-up policies have been treated as single premium, as the expense assumptions are the same for these groups.

For each product, expenses are identical for unitised with profits and unit-linked policies. Differences in assumptions shown above arise where the largest group of unitised with profits is a different product from the largest group of unit-linked policies.

For with profits and non-profit business, provision for gross investment expenses is made by way of a margin between the yield on the assets and the valuation rate of interest. The margins are:

With profits business	0.21% p.a.
Non-profit business	0.12% p.a.

For unit-linked business, the assumed gross investment expenses are the following percentages of fund size:

Life business	0.22% p.a.
Pensions business	0.23% p.a.

For life business, tax relief on the above expense assumptions is assumed at the rate of 20%.

(7) Inflation rate and unit growth rates

The assumed rate of inflation relating to expenses and administration fees (where applicable) is 4.50% per annum.

The unit growth rates assumed in the calculation of non-unit reserves for unit-linked business are:

Life business	5.10% p.a. (net of tax)
Pensions business	6.00% p.a.

(8) Future bonus rates

No future bonus rates have been assumed in the gross premium valuation of conventional with profits business or in the valuation of unitised with profits business.

(9) Lapse, surrender and conversion to paid-up

The following average annual rates of lapse, surrender and conversion to paid-up have been assumed:

Product		Average lapse / surrender /paid-up rate for the policy years			
		1-5 % p.a.	6-10 % p.a.	11-15 % p.a.	16-20 % p.a.
Level term	lapse	0	0	0	0
Decreasing term	lapse	0	0	0	0
Accelerated critical illness	lapse	0	0	0	0
CWP savings endowment	surrender	6.1	2.6	1.0	1.0
CWP target cash endowment	surrender	0.7	0.7	0.7	0.7
UWP savings endowment	surrender	5.1	5.3	6.0	5.3
UWP target cash endowment	surrender	8.3	8.5	5.9	4.0
UL savings endowment	surrender	3.3	4.1	9.6	6.7
UL target cash endowment	surrender	9.7	9.7	7.5	7.3
UWP Bond – with surrender penalty	surrender	0.9	6.7	6.7	6.7
UWP Bond – without surrender penalty	surrender	6.7	6.7	6.7	6.7
UWP Bond	automatic withdrawals	100% of current	100% of current	100% of current	100% of current
UL Bond	surrender	3.5	6.7	6.7	6.7
UL Bond	automatic withdrawals	100% of current	100% of current	100% of current	100% of current
CWP pension regular premium	PUP	0	0	0	0
CWP pension regular premium	surrender	0	0	0	0
CWP pension single premium	surrender	0	0	0	0
UWP individual pension regular premium	PUP	0	0	0	0
UWP individual pension regular premium	surrender	0	0	0	0
UWP individual pension single premium	surrender	0	0	0	0
UL individual pension regular premium	PUP	0	0	0	0
UL individual pension regular premium	surrender		See note 1.		
UL group. pension regular premium	PUP	0	0	0	0
UL group pension regular premium	surrender		See note 1.		
UL individual pension single premium	surrender		See note 1.		

1. The surrender rates used for UL pension products vary between term gone and term-to-go. It is not representative to combine the rates for these different products in the format required.

Where different persistency assumptions apply to groups of policies within the above product types, the assumptions shown relate to a group which represents more than 50% of the total reserves for the product type. In particular, the surrender rates for UWP individual pensions are shown as nil, as more than 50% of reserves for such policies relate to a group of policies for which no surrender assumption is made. Surrender rates are assumed for other policies of this type.

No allowance is made for a rate of conversion to paid-up.

(10) Other material assumptions

There are no assumptions not stated elsewhere that are considered to be material to the results of the valuation.

(11) Derivative contracts

In determining the liabilities, no allowance has been made for derivative contracts, including the swaptions purchased to hedge guaranteed annuity liabilities.

(12) Impact of changes in valuation rules effective from 31 December 2006

Allowance for lapses in the valuation of unit-linked pensions business led to a decrease in reserves of £57.4m.

Allowance for lapses in the valuation of non-profit business led to a decrease in reserves of £11.7m.

No allowance has been made in this valuation for:

- negative reserves; or
- non-attributable expenses.

5. Options and guarantees

The valuation bases set out in section 5 relate to options and guarantees in respect of groups of products where the basic reserves exceed £10m. The grouping of products is that relevant to the particular option or guarantee.

(1) Guaranteed Annuity Rate options

- (a) For most pensions contracts with a Guaranteed Annuity Rate option at retirement, a stochastic model has been used to value the option. The model used is the same as that used in the realistic valuation and described in the report on that valuation, and the economic scenario generation assumptions were calibrated to 97.5% of risk-free yields, in line with requirements for yields used in regulatory valuations. The assumed take-up rate for the option, when in the money, is 95% at all durations in all scenarios. The assumed mortality basis in payment is based on 80% of PCMA00 with 100% medium cohort improvements subject to a 1.7% floor for males, and 75% of PCFA00 with 75% medium cohort improvements subject to a 1.5% floor for females. For practical reasons an equivalent one-dimensional table is used.

For a few minor classes the stochastic model is not used, and the liabilities are taken as the result of a deterministic valuation using corresponding assumptions, but assuming 100% take-up.

(b)

Product	Basic reserve £m	Outstanding durations (years)			Guarantee reserve £m	Guaranteed annuity rate (annuity p.a. per £100 cash sum)	Open to increments
		Minimum	Median	Maximum			
Endowment Plans	228	0	5	31	181	11.00	No
Multipension	318	0	9	29	165	9.39	In certain circumstances

The specimen guaranteed annuity rates shown above are for a male aged 65. The annuity is a non-increasing single life annuity, payable monthly for a minimum period of five years. Payments are in advance for conventional policies and in arrears for Multipension. Annuities on equivalent terms to those indicated above are available on an increasing or joint lives basis or with other payment frequencies or other minimum payment periods.

Guaranteed annuity rates are applicable on early or late retirement at any age permitted by the terms of the policy. The relevant rates are determined on the same basis as that applicable at the normal retirement date, allowing for the age at retirement.

(2) Guaranteed surrender and unit-linked maturity values

- (a) Certain unitised with profits pensions policies include a provision that no market value reduction (MVR) will be applied on early retirement within five years of the normal retirement date, in respect of regular premiums that have been paid or single premiums that have been invested for at least five years at the early retirement date. The method used to determine the basic reserves, described in (4).(1), explicitly makes allowance for this provision, and no separate additional reserve is required.

Unitised with profits pensions policies invested in the Group With Profits Fund include a provision that no MVR will apply on discontinuance in certain specified circumstances, for example on early retirement or following leaving service. In consequence, the basic reserves for policies invested in this fund make no allowance for the application of MVR at any time, and no separate additional reserve is required in respect of the provision.

Certain Low Cost Homebuyers' Plans (LCHP) and Homebuyers' Investment Plans (HIP) effected since 1998 include a provision whereby a guaranteed amount may be payable on the maturity date. The guarantee may be selected ten years before the maturity date, and if selected the premium must be increased where necessary to a level advised by the Company at the time. Furthermore, for HIP invested in unit-linked funds, the plan must be switched to unitised with profits. In the case of LCHP, for all plans where the guarantee is in force, the guaranteed amount in respect of this provision does not exceed the normal guaranteed amount at maturity, taking into account the Guaranteed Interest Rate. The basic reserves are therefore sufficient to cover the value of the guarantee. In the case of HIP, there is one plan with the guarantee in force, for which no additional reserves are required. In the case of plans that are more than ten years from the maturity date, including HIP currently invested in unit-linked funds, the terms on which the increase in premium is determined if the guarantee is selected are currently, and it is intended will remain, such as to ensure that no additional reserve will be necessary at the time the guarantee comes into force, taking into account the explicit allowance in the basic reserve for the Guaranteed Interest Rate for LCHP and the provision that no MVR will apply at maturity date. It is therefore considered that the basic reserve is sufficient to cover the value of the prospective guarantee for such plans

- (b) All guaranteed surrender values affecting groups of policies where the basic reserve exceeds £10m have been explicitly valued within the calculation of the basic reserve, as described above.

(3) Guaranteed insurability options

- (a) The main guaranteed insurability options permit the increase or replacement of cover under unit-linked and unitised with profits policies, subject to specific conditions, for example when the maturity value of an endowment assurance is increased in respect of a mortgage advance, or on the birth of a child to the policyholder. No additional reserve is deemed necessary for such options for the following reasons:
- the conditions for the exercise of each option are limited to specified circumstances, which might normally imply good health
 - mortality charges include a prudent margin which would cover a worsening of experience
 - policy conditions permit future amendments to mortality charges based on experience

- (b) There are no conversion or renewal options where the total sum assured exceeds £1bn.

(4) Other guarantees and options

Certain with profits Flexible T-Plans and Multipensions include a provision that the annuity secured on retirement at State Pensionable Age will not be less than the amount of Guaranteed Minimum Pension accrued in respect of contracting out of the State Earnings Related Pension Scheme.

These guarantees are generally significantly in the money, and additional reserves are determined for each policy equal to the excess of the value of the annuity over the basic reserve. The assumed mortality basis in payment is based on 80% of PCMA00 with improvement factors of 100% medium cohort and a 1.7% floor for males, and 75% of PCFA00 with improvement factors of 75% medium cohort and a 1.5% floor for females. For practical reasons, an equivalent one-dimensional table is used. Interest in payment is 3.80% p.a. The assumed take-up rate for the guarantee is 100%. The basis during deferment is the normal basis for unitised with profits pensions policies.

Basic with profits reserve for policies with the guarantee:	£19m
Additional reserve in respect of the guarantee:	£7m

6. Expense reserves

(1) Expense loadings

The aggregate amount (gross of tax) arising during the year following the valuation date from implicit and explicit reserves made in the valuation to meet expenses in fulfilling contracts in force at the valuation date is £169.0m, after allowing for expenses recovered through the reinsurance arrangement with SLAS. This amount arises from the following sources:

- (i) explicit expense assumptions in the valuation amounting to £90.8m; and
- (ii) the amount implicitly provided for investment expenses by deductions from yields when establishing the valuation interest rates, amounting to £82.7m.

Renewal commission is not included in this amount.

(2) Implicit expense allowances

The implicit allowance in respect of investment expenses was determined by multiplying the relevant amounts of reserves by the rates of deduction from yields.

(3) Comparison with Form 43

The introduction of Financial Reporting Standard 26 in 2006 requires initial transaction costs on assets to be shown as investment expenses in the statutory accounts and, these expenses, amounting to £51.4m, have been included in line 44 of Form 43. The valuation implicitly assumes that there will be no future asset turnover, so no allowance is made for expenses of this nature.

After allowing for initial transaction costs on assets, the amount of maintenance expenses is somewhat higher than that shown at line 14 of Form 43. The main reasons for the difference are:

- An uplift of 20% assumed in the service fees charged by ASLS to reflect a fee review expected to take place during 2008.
- An increase during 2007 to the investment expenses incurred on the management of linked assets (a real increase and an increase in the regulatory margin).

(4) New business expense overrun

Current product terms are sufficient to recover expenses in respect of new business, and no new business expense overrun reserve is required in respect of the expenses of continuing to transact new business during the 12 months following the valuation date.

(5) Maintenance expense overrun

No maintenance expense overrun reserve is deemed necessary. The reserves include explicit allowance for meeting the expenses likely to be incurred in future in fulfilling existing contracts, on the basis that servicing expenses will continue to be in line with fees charged by AXA Sun Life Services plc (ASLS), increased in line with the assumed inflation rate. It is assumed that the same level of per policy expenses would apply following closure to new business. No redundancy costs have been allowed for, as these would be met by ASLS. The costs of terminating the management services agreement with ASLS have not been allowed for as it is assumed that the agreement will continue in force.

(6) Non-attributable expenses

All expenses have been treated as attributable.

7. Mismatching reserves

(1) Analysis of reserves by currency

The mathematical reserves in respect of liabilities denominated in sterling (other than liabilities for property linked benefits) amount to £35,479m. An analysis by currency of the matching assets is set out in the following table.

Currency of asset	Value of assets £m
Sterling	34,532
Euro	423
U.S. Dollar	261
Japanese Yen	97
Other	166
Total	35,479

(2) Other currency exposures

The mathematical reserves in respect of liabilities denominated in currencies other than sterling amount to £55m. The proportion of these liabilities that is matched by assets in the same currency as the liability is 67%.

(3) Currency mismatching reserve

No reserve is deemed necessary in respect of currency mismatching. The backing of liabilities by assets in a different currency relates to the exposure of with profits contracts to investments in a range of currencies. Sufficient assets are held in the same currency as the liability to back any guarantees.

(4) Most onerous scenario under INSPRU 3.1.16R

INSPRU 3.1.16R does not apply to the Company. See 7.(6).

(5) Most onerous scenarios under INSPRU 3.1.23R

INSPRU 3.1.23R does not apply to the Company. See 7.(6).

(6) Amount of resilience capital requirement

The Company is not required to determine a resilience capital requirement, as it is not a regulatory basis only life firm.

(7) Additional reserve arising from INSPRU 1.1.34(2)

Based on an analysis of expected cash inflows from assets held and future regular premiums and expected cash outflows from insurance liabilities as they fall due, it is believed that the assets held to cover the technical provisions and other long-term insurance liabilities are of a sufficient amount, and of an appropriate currency and term, to ensure that the cash inflows will meet the expected cash outflows without requiring any additional reserve.

8. Other special reserves

The following special reserves exceed £10m.

Reorganisation Bonus

The Company has an obligation to make payments of Reorganisation Bonus, as required by the Reorganisation Scheme governing the Company. The total reserves for this liability are £194.2m. These are included within the reserves for the relevant classes of with profits business on Forms 51 and 52.

The reserves are equal to the balance of the 'RBM Account', which under the Reorganisation Scheme records the value of the obligation to policyholders in the New With Profits Fund, together with further amounts representing:

- Reorganisation Bonuses payable in respect of policies in the Old With Profits Fund; and
- the value of future transfers made subject to rule INSPRU 1.5.27R in respect of the payment of Reorganisation Bonuses.

Endowment mis-selling provision:

A provision is held relating to the payment of compensation relating to the mis-selling of endowment assurances, including policies used to repay mortgages. The provision also covers associated administrative costs. The provision is £11.4m.

The amount of the provision has been determined by considering the number of policyholders mailed and making allowance for the following assumed factors:

- the proportion of policyholders making complaints
- the proportion of complaints upheld; and
- the average compensation cost and expenses per complaint upheld.

The assumptions were set having regard to experience to date.

The actual cost of settled complaints has been deducted from the result.

An additional amount has been added to the provision to reflect the potential for additional complaints and compensation costs relating to endowment mis-selling

9. Reinsurance

(1) Facultative reinsurance to reinsurers not authorised in the UK

During 2007 no reinsurance business was ceded on a facultative basis to reinsurers not authorised to carry on insurance business in the UK.

(2) Reinsurance treaties

Details of reinsurance treaties under which the Company is the cedant and either the premiums payable to the reinsurer during 2007 or the reduction in mathematical reserves in respect of the reinsurance exceed £10m are contained in the following table.

Reinsurer	Nature and extent of cover	Premiums payable during 2007 £m	Whether treaty closed to new business	Reduction in mathematical reserves £m
AAC	Original terms reinsurance of 100% of benefits for annuity business.	1,242	No	1,222
Swiss Re Life & Health Ltd.	Quota share reinsurance of unit-linked income protection business. Retention is 75% up to £40,000.	1.6	Yes	10
Swiss Re Life & Health Ltd	A single treaty covering: <u>Regular Premium Individual Lifetime Care Plans</u> Benefits on an original terms quota share basis for plans written prior to 1st April 1998. Benefits on a risk premium quota share basis for plans written on or after 1st April 1998 and prior to 1 January 2002, and increments to such plans. The cover is 70% of each benefit up to £60,000 p.a., 100% of the excess over £60,000 p.a.. The cover for original terms policies following a policy review has changed to 67% of each benefit. <u>Individual Permanent Health Insurance</u> Benefits on an original terms, quota share and surplus basis. The cover is 2/3rds of each benefit up to £18,000 p.a., and 100% of the surplus above £18,000 p.a. to a maximum of £50,000 p.a.. <u>Individual Level Term Assurance and Individual Critical Illness</u> Death and/or Critical illness risks on an original terms surplus basis in excess of the Company's retention of £15,000.	8.5	Yes	52 8 1
General Cologne Life Re (UK) Ltd	Single Premium Individual Lifetime Care Plans Benefits on an original terms quota share basis for plans written after 1st September 1994 and prior to 1st July 1997, and a risk premium quota share basis for plans written on or after 1st July 1997 and prior to 16th August 2004. The cover is 50% of each benefit up to £60,000 p.a., 100% of the excess over £60,000 p.a.. The cover for original terms policies following a policy review has changed to 50% of the benefit covered by the original premium.	0.1	Yes	2

Kolnische Ruckversicherungs-Gesellschaft AG	Single Premium Individual Lifetime Care Plans Benefits on an original terms quota share basis for plans written after 1st September 1994 and prior to 1st July 1997, and a risk premium quota share basis for plans written on or after 1st July 1997 and prior to 16th August 2004. The cover is 50% of each benefit up to £60,000 p.a., 100% of the excess over £60,000 p.a.. The cover for original terms policies following a policy review has changed to 50% of the benefit covered by the original premium.	2.6	Yes	46
SCOR Global Life Reinsurance UK Ltd	Regular Premium Term Assurance (mortality only) quota share for level and decreasing plans written from 1 st June 2006. Terms are to reinsure 50% of the first £10m.	4.1	No	13
SCOR Global Life Reinsurance UK Ltd	Regular Premium Term Assurance (stand alone or accelerated critical illness only) quota share for level and decreasing plans written from 1 st June 2006. Terms are to reinsure 40% of the first £0.5m.	1.5	No	14
RGA Reinsurance UK Ltd	Regular Premium Term Assurance (mortality only) quota share for level and decreasing plans written from 1 st June 2006. Terms are to reinsure 4% of the first £10m.	0.04	No	1
RGA Reinsurance Company (Barbados) Ltd	Regular Premium Term Assurance (mortality only) quota share for level and decreasing plans written from 1 st June 2006. Terms are to reinsure 36% of the first £10m.	0.3	No	9

In respect of the above treaties:

- No amounts have been deposited under any deposit back arrangements.
- There are no undischarged obligations of the Company other than outstanding reinsurance premiums.

With the exceptions of Kolnische Ruckversicherungs-Gesellschaft AG and RGA Reinsurance Company (Barbados) Ltd, the above companies are authorised to carry out insurance business in the UK.

With the exception of AAC, the reinsurers are not connected with the Company.

The Company has credit risk exposure to each of the above reinsurers. The exposure does not exceed internal exposure limits, taking account of the rating of each reinsurer. A separate reserve is held in respect of the possibility of default of external reinsurance counterparties.

There are no legal disputes at the present time in connection with the Company's reinsurance treaties, and it is not believed that these treaties present any material legal risk or other risks.

No provision is made for the liability of the Company to refund any amounts of reinsurance commission in the event of lapse or surrender of contracts, as in each case the amount of such refund is less than the amount of premium refundable, if any, by the reinsurer.

Historically SLAS has provided new business financing in respect of regular premium business reassured to the Company. The outstanding amount of the Company's undischarged obligation at the valuation date was £105.4m. This is repayable monthly out of surplus arising on the business being financed. It should be noted that this financing is provided by a company within the AXA Group, and the disclosures in this section and in Form 3 lines 91-95 should be viewed with this in mind.

This undischarged obligation has not been taken into account in the valuation because it is repayable out of margins in the policies financed. No allowance has been made for contingencies associated with this arrangement for the purposes of the return.

10. Regular bonus

Name of Bonus Series	Mathematical Reserves £m	Bonus Rate for 2007	Bonus Rate for 2006	Guaranteed Rate for 2007
<i>Conventional With Profits</i>				
Conventional Life Series 1 ¹	25	1.18%/0.00%	1.19%/0.00%	-
Conventional Life Series 2	211	1.00%	1.00%	-
Top Flight and Moneysaver	381	2.00%	1.25%	-
Postal Staff Scheme	19	1.25%	1.25%	-
Conventional Pensions	338	0.00%	0.00%	-
Retirement Savings Schemes	307	1.50%	1.50%	3.00%
<i>Unitised With Profits²</i>				
Investment Bond and Flexible Bond	1,536	3.25%	1.90%	-
With Profits Income Bond	18	3.75%	2.40%	-
Individual Savings Account ³	15	4.45%	3.65%	-
Low-Cost Homebuyers' Plan	584	0.50%	0.00%	3.00%
Multivestor	27	0.55%	0.00%	1.75%
Multiplan	17	3.25%	2.04%	-
Multipension Series 2	1,213	0.00%	0.00%	4.00%
Multipension Series 3	387	2.20%	0.90%	-
Flexible Pensions:				
Group WP fund	21	4.50%	4.25%	-
with GMP guarantee	22	2.75%	2.00%	-
Other ⁴	125	3.25%	2.50%	-
Other Trustee Plans	39	3.25%	1.90%	-
Pensions 1997 series ⁵	115	2.95%	2.33%	-
Pensions 1999 series	57	2.90%	1.90%	-
Pensions 2000 & 2002 series ³	85	3.95%	3.44%	-
Retirement Investment and Income Plan	34	3.45%	2.40%	-
Amulet (other than Investment Plan)	20	4.00%	2.65%	-
AXA Isle of Man Bonds:				
Series 3 (Sterling)	126	4.00%	2.65%	-
Series 3 (Euro)	30	3.50%	2.15%	-
Series 3 (Dollar)	23	4.00%	2.65%	-

Notes:

- ¹ For Conventional Life Series 1, the rate of bonus is a percentage of sum assured dependent on the age of the policyholder at outset. The rates stated above are weighted averages. The second rate stated is the rate of bonus on attaching bonus.
- ² Unitised with profits bonus rates (except for Flexible Pensions) correspond to the increase in unit price during the year. Where bonus rates have changed during the year, the rate stated therefore represents an average of bonus rates weighted by period in force.
- ³ The bonus rates for Individual Savings Account, Pensions 2000 and 2002 Series and Amulet (other than Investment Plan) are before deduction of management charges.
- ⁴ The rates stated above are for accumulation units. The corresponding rates for capital units were 0.00% for both 2007 and 2006.
- ⁵ For Pensions 1997 Series, where commission is payable as a defined percentage of the fund, the above bonus rate is reduced by the relevant percentage. Furthermore, for certain plans, bonus rates were 0.25% p.a. higher prior to 28 February 2005.

NAME OF INSURER: AXA Sun Life plc

IPRU(INS) RULE 9.31(b) – APPENDIX 9.4A

ABSTRACT OF VALUATION REPORT FOR REALISTIC VALUATION

1. Introduction

- (1) The actuarial investigation relates to a valuation date of 31 December 2007.
- (2) The valuation date of the previous valuation was 31 December 2006.
- (3) An interim valuation was carried out on 30 June 2007.

2. Assets

- (1) The economic assumptions used in calculating the future profits on non-profit business are as follows:

This financial year	
Investment return	Risk-free rate calibrated to the gilt yield curve plus 10 basis points
Expense inflation	Price inflation + 1% p.a., where the price inflation curve is calibrated to RPI
Discount rate	For profits emerging on non-profit business: risk-free rate + 150 basis points p.a. For release of long-term insurance capital component: risk-free rate.

Preceding financial year	
Investment return	Risk-free rate calibrated to the gilt yield curve plus 10 basis points
Expense inflation	Price inflation + 1% p.a., where the price inflation curve is calibrated to RPI
Discount rate	For profits emerging on non-profit business: risk-free rate + 150 basis points p.a. For release of long-term insurance capital component: risk-free rate.

Note: 1 basis point = 0.01%

- (2) No amounts have been included in the realistic value of assets under INSPRU 1.3.33R(2).
- (3) No value has been included in respect of non-profit contracts outside the with profits funds.
- (4) A single set of economic assumptions has been used in valuing the non-profit contracts in both with profits funds.
- (5) Not applicable.

3. With Profits Benefits Reserve Liabilities

- (1) The table below shows the With Profits Benefits Reserve and the Future Policy Related Liabilities for

each group of contracts with materially different guarantees and options.

	NWPf		OWPF	
	With Profits Benefit Reserve (£m)	Future policy related liabilities (£m)	With Profits Benefit Reserve (£m)	Future policy related liabilities (£m)
Retrospective method (asset share)				
UWP Bonds (no MVR-free date)	1,515	231	234	37
UWP regular premium life	647	158	110	27
UWP pensions (no minimum bonuses or GARs), some with GMPs	862	161	194	35
UWP pensions with minimum bonuses but no GARs	511	142	141	40
UWP pensions with minimum bonuses and GARs	296	196	62	38
Conventional Life	605	233	154	55
Conventional Pensions (with GARs)	114	125	23	36
ISA	12	0	2	0
Other	0	2	0	0
Prospective method (regulatory reserve)				
Retirement Savings Scheme	327	0	18	0
Other	5	0	0	0
Total	4,894	1,248	938	268

- (2) The total amounts of the With Profit Benefits Reserve in the table above correspond to the amounts shown in Form 19, Line 31 for each fund. The future policy related liabilities in the table above reconcile to Form 19, Line 49 as shown below. For details of the reconciling items, refer to Sections 8 and 11 of this Report.

£m	NWPf	OWPF
Future Policy Related Liabilities, from above table	1,248	268
Reorganisation Bonus	170	25
Tax and expense liability on assets in excess of asset share	69	15
Future Policy Related Liabilities, Form 19, Line 49	1,487	308

4. With Profits Benefits Reserve – Retrospective method

- (1) In all cases where a retrospective method (i.e. asset share) is used, this is calculated on a policy by policy basis.
- (2) An allowance has been made for the declaration of a Special Bonus in OWPF. This has resulted from the first 5-yearly Inherited Estate test under the firm's Reorganisation Scheme.
- (3) The basis of allocating expenses to the with profits funds in the valuation is given below.

Fees are paid to AXA Sun Life Services plc (ASLS) for management, administration, marketing and

sales services, as defined in the Service Agreements between ASL and ASLS. These fees are charged to asset shares and are adjusted annually as at 1 January, again as defined in the Service Agreements. The amounts of such fees, split between initial and maintenance expenses, for the full year 2007 are shown below.

Fees paid to the investment managers for the same period are also shown below. Those in respect of with profits policies are charged to asset shares, as a percentage of the asset share representing the average fee level including an allowance for performance fees.

Some expenses met directly by the funds, such as regulatory fees, are charged to asset shares. These are apportioned between individual policies using a method that is believed to be equitable.

Also shown below are the expenses that have been charged to the with profits funds during 2007, but which are not charged to asset shares. These are mainly initial and renewal fees in respect of non-profit business, investment management fees in respect of non-profit business and other assets in excess of asset shares, plus certain exceptional costs.

Further details of the basis of allocating expenses to the funds are given in the Principles and Practices of Financial Management (PPFM).

The table below shows the expenses incurred by the funds in 2007:

£m	NWPF	OWPF
Initial fees chargeable to asset shares	2.1	0.3
Maintenance fees chargeable to asset shares	10.0	1.8
Investment fees chargeable to asset shares	7.5	1.4
Other expenses chargeable to asset shares	0.5	0.0
Expenses on non-profit contracts	6.0	1.1
Other expenses not chargeable to asset shares	3.0	1.0

The above table does not include initial transaction costs on assets as described in section 6 (3) of the regulatory valuation report. These have been implicitly allowed for within the return allocated in the asset share calculation.

- (4) During 2007, no significant charges for guarantees or cost of capital have been made to asset shares. As indicated in the PPFM, this practice is reviewed periodically and is subject to change.
- (5) No charges have been deducted from the funds for non-insurance risk.
- (6) The ratio of claims paid to underlying asset shares for with profits insurance contracts over the three year period are:

Year	Average Payout ratio
2005	103%
2006	102%
2007	103%

- (7) For the full year 2007, the investment return before tax and expenses for both New and Old With Profits Funds was 4.3%

For most UWP policies, the gross return applied to asset shares was 4.8%. For such policies approaching the end of their policy term, a different rate was applied. This varied from 2.0% to 4.8% depending on product type and unexpired term. The return applied to conventional with profits business was 4.3%.

Further details of how returns are applied to asset shares are given in the PPFM.

5. With Profits Benefits Reserve – Prospective method

For Retirement Savings Scheme a prospective method is used rather than asset share, with the with profits benefit reserve calculated deterministically using realistic assumptions including an allowance for future bonuses. The approach assumes a risk-free investment return and discount rate consistent with table 6 (4) (a) (iii), annual bonuses and additional interest totalling 2.50% p.a. in addition to the guaranteed return, expense inflation at the regulatory assumption of 4.5% p.a., an expense of £111 p.a. per person, per policy charges of £28 p.a. per person (£38 if premiums ceased) and no future lapses. It is assumed that the with profits benefits reserve determined in this way is sufficient to cover any cost of guarantees and smoothing on this contract.

For other classes where a prospective method is used rather than asset shares, the with profits benefit reserve is set equal to the regulatory reserve.

6. Costs of guarantees, options and smoothing

- (1) Not applicable.
- (2) For all products where the valuation of guarantees, options and smoothing is carried out using a full stochastic model, grouped data is used. Contracts are grouped according to their major product features, term gone and term to go, policyholder age and the extent to which guarantees are in or out of the money.

	Policies	Experience Model Points
NWPF	531,626	1,802
OWPF	128,792	766

The results from the stochastic model using grouped data are validated against the results from a closed-form model using individual data. An approximate upward adjustment has been made to the cost of guarantees and smoothing to allow for the estimated grouping error.

- (3) An adjustment relating to improving the modelled cost of smoothing to better reflect the impact of a changing economic environment has been made in anticipation of future changes and to be more consistent with the PPFM.
- (4) (a) (i) The liabilities being valued using a full stochastic approach are:
 - The guarantee that no market value reduction will be applied on maturity or on death. The extent to which these options are in the money at the valuation date depends on the ratio of guaranteed benefits to asset share for each policy at that date, and varies both across and within lines of business. On average, the ratio of the present value of guaranteed benefits to asset share varies from around 90% for policies close to maturity to 60% for policies with more than 20 years to go.
 - The guarantee that no market value reduction will be applied on regular income

withdrawals that are within the limits defined in the contract terms.

- Guaranteed annuity rates (GARs), which offer an annuity calculated on guaranteed terms on normal and early retirement. These options are currently in the money.
- The cost of smoothing. This reflects a combination of short-term and long-term effects: in the short term the difference between payouts and the sustainable level (glidepath); and in the long term the under or overpayment of asset share.

Within the stochastic model the liabilities are valued in the following order: asset share; costs of contractual guarantees; planned enhancements; costs of smoothing. So, for instance, if guarantees bite on a claim, the excess of the claim over the asset share is attributed to costs of contractual guarantees. As smoothing is calculated last there is a partial offset between the cost of guarantees and cost of smoothing.

- (ii) The nominal interest rate model used (Libor Market Model) is calibrated exactly to the current risk-free yield curve. The volatilities have been selected to provide a close fit to a range of swaption-implied volatilities. Equity and property returns are based on short term rates from the interest rate model with an additional log-normal component with a mean of zero. Equity volatilities are calibrated to a term structure of FTSE option-implied volatilities. The model is arbitrage-free.

The risk-free rate in the asset model is calibrated to the gilt curve at 31 December 2007 plus 10 basis points. Sample rates are shown in the table in (iii) below.

Sample volatilities are shown below for the main asset classes. These are derived from the asset model output. The volatility for fixed interest investments is the overall figure for the assumed portfolio mix of government and corporate bonds.

Volatility over period (years)	Equity	Property	Fixed interest
5	26%	15%	5%
10	29%	15%	6%
20	31%	15%	6%

The correlations assumed between the main asset classes are:

Correlation between:	
Equities and medium term fixed interest assets	27%
Equities and property	13%
Medium term fixed interest assets and property	16%

- (iii) The table below shows the annualised compound equivalent of the risk-free rate assumed for each duration (n) and values derived from the asset model of specified assets/options.

Row 1 shows the value of cash payments of £1,000,000 due n years after the valuation date. Rows 2 to 15 inclusive show, for the appropriate asset classes, the value of a put option on a portfolio worth £1,000,000 on the valuation date exercisable n years after the valuation date, with strike price of $K * £1,000,000 * (1+r*p)^n$.

Row 16 shows the value of sterling receiver swaptions with a strike of 5% exercisable n years after the valuation date with swap durations on exercise of L years, expressed as a percentage

of nominal.

K		0.75			
<i>n</i>	<i>Duration (n)</i>	5	15	25	35
<i>r</i>	<i>Annualised compound equivalent of the risk-free rate assumed for the period (r)</i>	4.62%	4.64%	4.48%	4.31%
1	<i>Risk-Free Zero Coupon Bond</i>	£797,751	£506,389	£334,629	£228,323
2	<i>FTSE All Share Index (p=1)</i>	£93,676	£257,007	£369,510	£452,206
3	<i>FTSE All Share Index (p=0.8)</i>	£80,834	£202,293	£268,068	£307,183
4	<i>Property (p=1)</i>	£30,242	£103,627	£156,611	£212,908
5	<i>Property (p=0.8)</i>	£23,052	£67,365	£90,241	£112,148
6	<i>15yr Risk-Free ZCBs (p=1)</i>	£2,892	£7,476	£6,223	£12,236
7	<i>15yr Risk-Free ZCBs (p=0.8)</i>	£1,873	£2,920	£1,553	£1,105
8	<i>15yr Corporate Bonds (p=1)</i>	£5,788	£16,335	£20,299	£34,175
9	<i>15yr Corporate Bonds (p=0.8)</i>	£3,748	£7,013	£6,076	£6,179
10	<i>Portfolio 1 (p=1)</i>	£45,342	£159,658	£243,396	£313,620
11	<i>Portfolio 1 (p=0.8)</i>	£36,148	£114,889	£160,847	£194,565
12	<i>Portfolio 2 (p=1)</i>	£40,004	£145,151	£223,156	£291,084
13	<i>Portfolio 2 (p=0.8)</i>	£31,646	£102,173	£143,857	£174,743
14	<i>Portfolio 3 (p=1)</i>	£13,660	£72,006	£122,466	£173,092
15	<i>Portfolio 3 (p=0.8)</i>	£9,132	£41,408	£63,494	£84,456
	<i>Sterling Receiver Swaptions</i>	<i>L = 15</i>			
16		6.57%	7.24%	6.28%	4.83%

K		1.00			
<i>n</i>	<i>Duration (n)</i>	5	15	25	35
<i>r</i>	<i>Annualised compound equivalent of the risk-free rate assumed for the period (r)</i>	x	x	x	x
1	<i>Risk-Free Zero Coupon Bond</i>	x	x	x	x
2	<i>FTSE All Share Index (p=1)</i>	£224,998	£420,756	£557,110	£653,496
3	<i>FTSE All Share Index (p=0.8)</i>	£198,352	£335,733	£410,659	£450,572
4	<i>Property (p=1)</i>	£131,257	£235,120	£304,794	£376,951
5	<i>Property (p=0.8)</i>	£107,493	£163,015	£186,860	£211,681
6	<i>15yr Risk-Free ZCBs (p=1)</i>	£54,351	£60,579	£65,525	£108,901
7	<i>15yr Risk-Free ZCBs (p=0.8)</i>	£36,326	£22,690	£11,025	£11,912
8	<i>15yr Corporate Bonds (p=1)</i>	£66,448	£87,426	£100,561	£135,372
9	<i>15yr Corporate Bonds (p=0.8)</i>	£47,554	£41,417	£31,224	£33,673
10	<i>Portfolio 1 (p=1)</i>	£157,732	£305,645	£407,920	£491,431
11	<i>Portfolio 1 (p=0.8)</i>	£132,972	£228,125	£278,214	£312,226
12	<i>Portfolio 2 (p=1)</i>	£149,558	£285,993	£385,010	£466,540
13	<i>Portfolio 2 (p=0.8)</i>	£124,956	£210,970	£257,290	£289,719
14	<i>Portfolio 3 (p=1)</i>	£102,193	£193,174	£261,727	£324,852
15	<i>Portfolio 3 (p=0.8)</i>	£79,478	£125,782	£150,145	£171,987
	<i>Sterling Receiver Swaptions</i>	<i>L = 20</i>			
16		8.37%	9.05%	7.74%	5.93%

	K	1.50			
<i>n</i>	<i>Duration (n)</i>	5	15	25	35
<i>r</i>	<i>Annualised compound equivalent of the risk-free rate assumed for the period (r)</i>	x	x	x	x
1	<i>Risk-Free Zero Coupon Bond</i>	x	x	x	x
2	<i>FTSE All Share Index (p=1)</i>	£600,962	£803,091	£965,714	£1,075,876
3	<i>FTSE All Share Index (p=0.8)</i>	£546,709	£653,621	£724,260	£754,577
4	<i>Property (p=1)</i>	£523,904	£604,704	£681,393	£762,883
5	<i>Property (p=0.8)</i>	£464,915	£453,554	£452,517	£465,568
6	<i>15yr Risk-Free ZCBs (p=1)</i>	£499,265	£499,164	£499,667	£523,064
7	<i>15yr Risk-Free ZCBs (p=0.8)</i>	£434,147	£311,635	£221,427	£193,907
8	<i>15yr Corporate Bonds (p=1)</i>	£497,762	£495,492	£501,631	£530,706
9	<i>15yr Corporate Bonds (p=0.8)</i>	£432,720	£312,616	£238,356	£214,039
10	<i>Portfolio 1 (p=1)</i>	£543,649	£674,046	£793,624	£890,847
11	<i>Portfolio 1 (p=0.8)</i>	£485,931	£526,709	£562,475	£584,997
12	<i>Portfolio 2 (p=1)</i>	£537,257	£654,815	£768,208	£860,526
13	<i>Portfolio 2 (p=0.8)</i>	£479,773	£506,140	£537,831	£558,401
14	<i>Portfolio 3 (p=1)</i>	£509,794	£565,168	£634,906	£702,354
15	<i>Portfolio 3 (p=0.8)</i>	£448,136	£411,175	£405,982	£409,735
	<i>Sterling Receiver Swaptions</i>	<i>L=25</i>			
16		10.01%	10.61%	8.97%	6.84%

- (iv) Initial UK equity yield assumed 3.7%
Initial UK property yield assumed 4.3%
- (v) No asset classes outside the UK are modelled separately.
- (vi) The average outstanding term of with profits liabilities in the New With Profits Fund is approximately 10 years. The average outstanding term of with profits liabilities in the Old With Profits Fund is approximately 10 years. A breakdown for selected product types is shown in the table below.

Outstanding term (yrs)	NWPF	OWPF
Bonds	8	9
Conventional Pensions	5	3
UWP Life	8	9
UWP Pensions	11	12

Term is the risk exposure duration, which is the effective number of years of exposure to risk weighted by the regulatory reserve.

The outstanding duration of with profits guarantees is fairly evenly spread over the term of the liabilities, though the cost of guarantees is greater at shorter durations. The outstanding duration of GAR guarantees is also shorter but still evenly spread.

The model was calibrated to a moneyness of between 90% for short durations to 60% for longer terms. The table below shows the extent of the fit of the modelled equity volatilities to market implied volatility.

Term (years)	Strike	Market Equity Volatility	Modelled Equity Volatility
1	90%	24.4%	24.2%
2	85%	24.5%	24.8%
3	85%	25.4%	25.3%
5	80%	26.0%	26.2%
10	70%	28.1%	28.0%
20	60%	30.0%	30.1%

- (vii) The asset model is validated by accumulating and discounting asset values and comparing with the starting asset value. Results of this comparison are shown under (viii) below.
- (viii) The valuation is based on 2,000 simulations of the asset model. The convergence of these simulations is shown in the table below. The figures are the ratio of the average, across the 2,000 scenarios, of the accumulating and discounted asset values to the starting asset value.

Projection term (years)	Ratio
5	99.96%
10	100.44%
15	100.87%
20	101.25%
25	99.48%
30	101.97%

The same principle of accumulating, discounting and comparing with the start value is applied to the asset shares in the liability valuation. The convergence of these results is at the level expected given the validation results of the asset model.

- (b) None of the costs of guarantees, options and smoothing has been valued using the market costs of hedging.
- (c) None of the cost of guarantees, options and smoothing has been valued using a series of deterministic projections with attributed probabilities.
- (5) (a) The management actions assumed in the projection of assets and liabilities are derived from the PPFM. Further details are given below.

Regular bonuses

Sustainable regular bonuses in the valuation for each modelled bonus series have been derived from the gross redemption yield on long dated gilts, with deductions for guaranteed interest rates, tax, expenses, shareholder transfers, contingency margin and to reflect the extent of existing guarantees. The bonus rate in a given year is targeted at this sustainable level, but is constrained to move by no more than 1% upwards or downwards from the previous year's rate. Additionally, the bonus rate is constrained not to increase if the guaranteed benefits exceed the asset share at that point in the projection.

Terminal bonuses

The model determines a scale of terminal bonus rates for maturing policies (surrendering policies for bonds). These are also used to derive rates for death and surrender. Terminal bonus rates are set for a cohort of similar policies in the same bonus series. For a given group of policies, the payout on an identical maturing policy is restricted to move by a maximum of 15% in either direction from year to year. The implied payout ratios are assumed to start from forecast values and move to sustainable levels over time.

For all policies with a maturity date, and those without a maturity date but which have been in force a specified length of time, the sustainable payouts assumed in the valuation allow for a level of uplift to asset share, consistent with the PPFM.

Market value reduction (MVR)

No MVRs are assumed to be applied.

Asset allocation

The asset mix of the with profits funds is assumed to remain constant throughout the projection.

- (b) Best estimates of the future proportions of assets backing the with profits benefit reserves and future bonus rates under specified scenarios are:

Return	Risk-Free Rate unadjusted		Risk-Free Rate reduced by 0.80% p.a.		Risk-Free Rate increased by 0.80% p.a.	
	5	10	5	10	5	10
Years into projection	5	10	5	10	5	10
Equity backing ratio	70%	70%	70%	70%	70%	70%
Annual bonus rate – Investment Bond	1.75%	1.75%	1.25%	1.00%	2.50%	2.50%
Annual Bonus rate – UWP Pension (effected 1999)	1.50%	1.25%	0.75%	0.50%	1.50%	1.50%

Note: Equity backing ratio includes equities and property.

(6) The persistency assumptions used for the main classes of business are:

Product		Average lapse / surrender / paid-up rate for the policy years			
		1 - 5	6 - 10	11 - 15	16 - 20
		% p.a.	% p.a.	% p.a.	% p.a.
UWP Bond	surrender	1.3	10	10	10
UWP Bond	automatic withdrawals	100% of current	100% of current	100% of current	100% of current
CWP pension regular premium	PUP	5.2	5	5	5
CWP pension regular premium	surrender	2	2	2	2
CWP pension single premium	surrender	2	2	2	2
UWP individual pension regular premium	PUP	6.5	6.5	4.8	4.5
UWP individual pension regular premium	surrender	2.5	2.5	2.5	3.2
UWP individual pension single premium	surrender	2.5	2.5	2.5	3.2
CWP savings endowment	surrender	11	7.7	3.7	2.5
CWP target cash endowment	surrender	1	1	1	1
UWP savings endowment	surrender	7.6	8	9	8
UWP target cash endowment	surrender	12.4	12.8	8.8	6

The take-up rates on Guaranteed Annuity Rates (GARs) are assumed to vary with scenario. When the option is in the money, the take-up rate varies between 75% and 80%, depending on the relative values of the tax free cash alternative and the value of the annuity net of tax.

The mortality assumption in possession of any GAR is assumed to be 95% of PCMA00 medium cohort (1992 onwards) & 1.7% floor (2004 onwards) for males and 90% of PCFA00 75% medium cohort (1992-2004) & 75% medium cohort with 1.5% floor (2004 onwards) for females. For practical reasons, an equivalent one-dimensional table is used.

- (7) Policyholder lapse and paid-up rates are not assumed to vary with scenario in the calculations. The policyholder take-up rates on GARs are described in (6) above.

7. Financing costs

There are no financing arrangements in place.

8. Other long-term insurance liabilities

Line 47 includes the value of the future tax and investment expenses on the assets backing the Future Policy Related Liabilities in excess of asset share. It also includes the value of the future Reorganisation Bonus payable in accordance with the reorganisation scheme governing the company. Section 3(2) details the amounts of each.

9. Realistic current liabilities

In the OWPF, the realistic current liabilities are equal to the regulatory current liabilities plus an amount reflecting the tax liability on future shareholder transfers and on the shareholders' share of the Reorganisation Bonus.

In the NWPF the realistic current liabilities are equal to the regulatory current liabilities: the support assets in Line 27 are reduced by an amount reflecting the tax liability on future shareholder transfers and on the shareholders' share of the Reorganisation Bonus.

10. Risk Capital Margin

- (a) The Risk Capital Margin for the NWPF is £415m and for the OWPF is £78m.

For both funds the most adverse scenario is the combination of events described below.

- (i) Equity values are assumed to fall by 19.54%. Property values are assumed to fall by 12.5%. No separate assumption is made for assets in significant territories.
- (ii) Fixed interest yields are assumed to fall by the amounts shown in the table below. The percentage change in yields is 17.5%. No overseas fixed interest assets are treated as being invested in significant territories.

Currency	Long term yield (annualised)	Nominal fall in yields
Sterling	4.55%	0.80%

- (iii) The average (weighted by value) change in spread for bonds, and the percentage changes in asset value arising from the credit risk scenario are given below. These are the percentage changes applying to the corporate bond investments of the funds in the most adverse scenario. No other asset values are adjusted in the credit risk scenario.

	Average change in spread (basis points)	Percentage change in asset values
With profits portfolio	68	-5.0%
Non-profit portfolio	77	-3.2%

- (iv) The overall percentage change in the realistic value of liabilities that results from applying the persistency risk scenario, assuming the market and credit risk stress scenarios have occurred, is given in the table below.

	Percentage change in liabilities
NWPF	0.79%
OWPF	1.00%

- (v) Not applicable.
- (b)
- (i) In the stress scenario that defines the Risk Capital Margin calculation, it is assumed that an MVR is applied such that the payout is equal to the asset share plus a defined percentage of the face value on surrender of unitised with profits pensions policies. No MVRs are applied to with profits life or bonds policies.
- In light of legislation changes (COBS 20.2.17) a reduction to modelled shareholder payouts has been made in scenarios where MVRs apply.
- No other changes to management actions are assumed from the base calculation. There are no further changes to assumptions, other than those that result directly from the events of the stress scenario itself.
- (ii) The impact of the change in management actions on the Risk Capital Margin is £18m for NWPF and £5m for OWPF.
- (iii) No changes would apply to the table in **6(5)(b)** if the management actions assumed within the Risk Capital Margin were also assumed within the base scenario.
- (iv) Not relevant since it is not assumed that such charges are taken.
- (c) All the assets required by the OWPF to cover the Risk Capital Margin are held within the fund. For NWPF some Support Arrangement Assets (as shown in Form 19 Line 27) are required to cover the Risk Capital Margin.

11. Tax

- (i) Tax on assets backing the With Profits Benefit Reserve (asset share) is charged to the asset

share.

- (ii) The liability for future tax on assets backing the future policy related liabilities is calculated separately and included on the balance sheet in Form 19, Line 47. The calculation assumes that these assets are locked in for the mean term of the policy liabilities, and incur tax on the investment return over that term. Tax is only incurred on the BLAGAB proportion of the assets.
- (iii) There is no liability assumed for tax on the assets backing realistic current liabilities.

12. Derivatives

Derivatives held as at 31 December 2007 are as follows:

Sterling interest rate receiver swaps are held for the purposes of hedging interest rate risk. The swaps held have maturity dates in 2037, a total notional of £196m, and a total market value of minus £6.1m.

Sterling and Euro-quanto receiver swaptions are held for the purpose of hedging interest rate risk. These have exercise dates ranging from 2008 to 2032, all have a tenor of 20 years and a strike rate of 5%. They have a total notional of £417m and a total market value of £22.3m.

Equity put options are held for the purpose of hedging equity risk. These are out of the money total return options on a basket of indices weighted as follows:

Index	Economy	Weighting
FTSE 100 Total Return	UK	71%
S&P 500 Total Return	US	13%
Dow Jones EUROSTOXX 50 Total Return	Europe	8%
TOPIX Total Return	Japan	8%

They have maturity dates ranging from 2008 to 2025, a total notional of £666m and a market value of £49.6m.

Credit default swaps are held to adjust credit exposure for the purpose of portfolio management, rather than as a strategic hedge against credit risk. There is £15m notional of sold protection and £56.5m notional of bought protection. Maturity dates range from 2010 to 2015.

Futures are held as set out in the table below:

Future	Bought / Sold	Purpose	Maturity Date	Exposure
FTSE 100	Bought	Managing economic exposure to UK equities	31 March 2008	£89.7m
Long (10y) Gilt	Bought	Duration management	31 March 2008	£229.9m
US Treasury (10y) Note	Sold	Duration management	31 March 2008	£23.5m
US Treasury (30y) Bond	Sold	Duration management	31 March 2008	£14m

Currency forwards are held for the purpose of portfolio management to hedge overseas currency exposure back to Sterling. There is £19.0m notional to hedge exposure to Euro back to Sterling, £9.5m notional to hedge exposure to US Dollar back to Sterling and £2.2m notional to hedge exposure to Japanese Yen back to Sterling.

13. Analysis of change in working capital

£m	NWPF	OWPF
Realistic working capital 31 December 2006	2,029	380
Opening adjustments	14	0
Model & methodology changes	-5	-1
Changes to realistic persistency & mortality assumptions on modelled business	-34	-7
Changes to economic assumptions	-10	-2
Changes to non-economic assumptions	-191	-39
Actual vs Expected experience	-43	-24
Investment return on opening working capital	50	15
Mismatch profits on assets backing the future policyholder related liabilities	-82	-23
Changes to non-profit profits	-47	-4
New Business	-2	0
Changes in other liabilities of lines 47 and 51 of Form 19	21	4
Other	199	-2
Realistic working capital 31 December 2007	1,899	297

The opening adjustment item represents surplus on non-profit business transferred into ASL's with profits funds under a restructuring arrangement effective on 1 January 2007.

Changes to economic assumptions include changes to the assumption for first year bonus rate and changes to the asset mix.

The main component of the changes to non-economic assumptions item is an increase to the level of uplift to asset share in the sustainable payouts assumed in the valuation.

'Other' includes changes to manual adjustments, movements in support arrangement assets and movements in current assets.

IPRU(INS) RULE 9.29 - STATEMENT ON DERIVATIVE CONTRACTS

Financial year ended 31 December 2007

a) Investment Guidelines

The investment guidelines of AXA Sun Life Plc allow for the use of derivative contracts for the purposes of efficient portfolio management or the reduction of investment risk. The guidelines restrict the investment managers to specified exchange traded derivatives on a limited number of markets, to the use of forward currency contracts and to the use of credit default swaps. Credit default swaps may be used within the With Profit funds on a case by case basis and in the shareholder or Non Profit funds where an effective hedge can be demonstrated in advance of the proposed transaction. The counterparties through whom such transactions can be made are restricted, as are the counterparty exposures that may be built up using derivatives. Prudent limits have also been set on the extent to which derivatives may be used within a given portfolio. Derivatives must not be used to gear the portfolio.

The use of non exchange traded derivatives, with the exception of forward currency contracts, is not permitted without the prior approval of the Group Finance Director or the Investment Director.

Approval has been given for the use of over the counter (OTC) derivatives to support particular unit linked funds. As at the end of 2007, the value of the OTC derivatives held to cover such contracts was £3.0m (2006: £nil).

b) Guidelines in respect of derivatives not likely to be exercised

The investment guidelines do not explicitly allow or exclude the use of derivatives which create rights or obligations which are not, at the time the contract is entered into, reasonably likely to be exercised.

c) Derivatives not likely to be exercised

During the period, no contracts were entered into which were not, at the time of entry, reasonably likely to be exercised.

d) Extent of change in amounts at year end

If assets which the Insurer had agreed to acquire or dispose of under derivative and quasi-derivative contracts outstanding at 31 December 2007, excluding options which it would not have been prudent to exercise, had been so acquired and disposed of the amounts recorded in Form 13 would have changed as follows:

	£'000
Line 41	96
Line 44	(199)
Line 81	1,369

Additionally, the Insurer holds a series of interest rate swaptions to hedge guaranteed annuity rate liabilities. The Insurer had no option to exercise any of these swaptions at 31 December 2007.

e) Maximum extent of changes

If options which were outstanding at the end of the year had been exercised the amounts in d) would be as follows:

	£'000
Line 41	96
Line 44	(199)
Line 46	(188,917)
Line 48	(89,754)
Line 81	280,040

Name of Insurer **AXA Sun Life Plc**

IPRU(INS) RULE 9.29 - STATEMENT ON DERIVATIVE CONTRACTS

Financial year ended 31 December 2007

f) Extent of changes in amounts during the period

If the assets which the Insurer had agreed to acquire or dispose of under derivative and quasi-derivative contracts had been so acquired or disposed of at the point in the year that would have had the maximum effect on the assets, amounts recorded in Form 13 would have changed as noted in d) and e) above as the maximum effect occurred at year end.

g) Loss on failure to fulfil derivative contracts

The maximum loss under derivative and quasi-derivative contracts in respect of the failure by any one third party to fulfil their obligations at the end of the year was £121.0m (2006: £29.3m). During the year it reached a maximum of £310.8m (2006: £30.3m).

h) No other instrument, whether it be a derivative or an instrument of similar nature was used which required a significant provision under INSPRU 3.2.17R, or where appropriate, did not fall within the definition of a permitted derivative contract.

i) There were no rights granted under derivative contracts for which fixed consideration was received by the Insurer during the year.

Name of Insurer **AXA Sun Life Plc**

IPRU (INS) RULE 9.30 - STATEMENT OF CONTROLLERS OF AXA SUN LIFE PLC

At 31 December 2007

Controller	Shareholding/Voting Rights						
AXA Sun Life Holdings Plc 5 Old Broad Street, London, EC2N 1AD Incorporated in England Registered No: 3479251	100% shareholding in AXA Sun Life Plc						
AXA UK Plc 5 Old Broad Street, London, EC2N 1AD Incorporated in England Registered No: 2937724	100% shareholding in AXA Sun Life Holdings Plc						
AXA 25 avenue Matignon, 75008 Paris Incorporated in France Registered No: 572093920RCS	100% shareholding in AXA UK Plc split as follows: <table style="margin-left: 20px;"> <tr> <td>AXA</td> <td style="text-align: right;">78.3%</td> </tr> <tr> <td>AXA Equity & Law Plc (a 99.9% owned subsidiary of AXA)</td> <td style="text-align: right;">21.7%</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">100.0%</td> </tr> </table>	AXA	78.3%	AXA Equity & Law Plc (a 99.9% owned subsidiary of AXA)	21.7%		100.0%
AXA	78.3%						
AXA Equity & Law Plc (a 99.9% owned subsidiary of AXA)	21.7%						
	100.0%						
Mutuelles AXA: AXA Assurances Vie Mutuelle 26 rue Drouot, 75009 Paris Incorporated in France Registered No: 353457245 AXA Assurances IARD Mutuelle 26 rue Drouot, 75009 Paris Incorporated in France Registered No: 775699309	Is an association of two companies, as listed, which collectively exercise 20.66% of AXA's voting rights as at 28th February 2007						

Name of Insurer **AXA Sun Life Plc**

IPRU(INS) RULE 9.36 - STATEMENT OF INFORMATION ON THE ACTUARY APPOINTED TO PERFORM THE WITH-PROFITS ACTUARY FUNCTION

The actuary was requested to furnish the insurer with particulars specified in Rule 9.36 of the Interim Prudential Sourcebook for Insurers and he has confirmed that the information below is correct.

1. Shares

Mr Shelley had no interest in the shares of the insurer.

Mr Shelley's interests in options as at 31 December 2007 were as follows:

- 24,991 €23.04 options (adjusted to take account of the rights issue in 2003 linked to the MONY and the Winterthur acquisition in June 2006) in AXA SA, exercisable to 19 April 2008,
- 3,079 €39.91 options (adjusted to take account of the rights issue in 2003 linked to the MONY and the Winterthur acquisition in June 2006) in AXA SA, exercisable to 4 July 2010,
- 2,327 €40.01 options (adjusted to take account of the rights issue in 2003 linked to the MONY and the Winterthur acquisition in June 2006) in AXA SA, exercisable to 11 July 2010,
- 6,158 €31.49 options (adjusted to take account of the rights issue in 2003 linked to the MONY and the Winterthur acquisition in June 2006) in AXA SA, exercisable to 8 May 2011,
- 4,106 €20.45 options (adjusted to take account of the rights issue in 2003 linked to the MONY and the Winterthur acquisition in June 2006) in AXA SA, exercisable to 26 February 2012,
- 3,079 €10.73 options (adjusted to take account of the rights issue in 2003 linked to the MONY and the Winterthur acquisition in June 2006) in AXA SA, exercisable to 13 March 2013,
- 389 shares in AXA SA Global Shareplan 2004,
- 300 shares in AXA SA Global Shareplan 2005,
- 200 shares in AXA SA Global Shareplan 2006,
- 167 shares in AXA SA Global Shareplan 2007.

2. Remuneration

In respect of 2007 Mr Shelley received management remuneration and other benefits (other than pension contributions) to the value of £116,000.

3. Pension contributions

Mr Shelley is a member of the AXA UK Group Pension Scheme.

CERTIFICATE OF THE MONITORING BOARD OF AXA SUN LIFE PLC

Financial Year ended 31 December 2007

1. Overall Conclusion

1.1 The Monitoring Board, having been advised by the Monitoring Actuary, hereby certifies pursuant to paragraph 2(b) of Part VII of the Scheme (see note 1) that in 2007 ('the period'), the Old With Profits Fund (OWPF) of AXA Sun Life Plc (ASL) was managed in a manner that was consistent with the Scheme.

2. Detailed Conclusions

2.1 The Monitoring Board is satisfied that:

- a) the operation and management of the sub-funds in the period, and
- b) the reassurance into the OWPF from the New With Profits Fund of ASL (NWPF) of new with profits business written by ASL during the period

were performed in accordance with the Scheme.

2.2 The Monitoring Board has reviewed:

- a) the investment policy of the OWPF during the period (the equity backing ratio having been above that of the median of the 'Peer Companies' as at the end of 2006, the latest available date for information),
- b) the bonus policy of ASL in respect of policies allocated to the OWPF during the period (during which bonus rates, including rates of Reorganisation Bonus, on policies allocated to the OWPF were identical to those on identical policies allocated to the NWPF),
- c) the volumes, mix and terms of new business which was written in or reassured in the OWPF during the period and which is planned to be written in or reassured in the OWPF during 2008, and
- d) the surrender terms applied in the period to policies allocated to the OWPF

and is satisfied that none of those items have been managed by ASL in a way prejudicial to the reasonable expectations of holders of 'Monitored Policies'.

3. Financial Support from the Non Profit Funds (NPF) of ASL

3.1 The need for financial support for the OWPF and for the NWPF was assessed by ASL at January 2007 in accordance with paragraph 21.3 of the Scheme. No financial support was required by the OWPF or by the NWPF.

3.2 The solvency on both a regulatory and a realistic basis of the OWPF and of the NWPF were assessed by ASL throughout the period. No financial support was required by the OWPF or by the NWPF.

The Monitoring Board is satisfied that these assessments in paragraphs 3.1 and 3.2 were made by ASL in accordance with the provisions of the Scheme.

Name of Insurer **AXA Sun Life Plc**

CERTIFICATE OF THE MONITORING BOARD OF AXA SUN LIFE PLC

Financial year ended 31 December 2007

3.3 A further assessment of the need for financial support for the OWPF and for the NWPF in accordance with paragraph 21.3 of the Scheme is in the process of being made by ASL. The Monitoring Board will report further on this assessment in its certificate in respect of 2008.

4. Basis for the Certificate of the Monitoring Board

4.1 In preparing this certificate, the Monitoring Board has, as stated above, been advised by the Monitoring Actuary, and has had full access to documents and reports prepared by ASL and by its With Profits Actuary and Actuarial Function Holder.

Note 1: The 'Scheme' means the transfer of the long term business of AXA Equity & Law Life Assurance Society Plc to ASL and the subsequent financial reorganisation of the long term business of ASL as approved by the High Court and by the Royal Court of Jersey in December 2000. 'Peer Companies' and 'Monitored Policies' are as defined in the Scheme.

Lord Taverne
Chairman of the Monitoring Board

28 March 2008

Name of Insurer **AXA Sun Life Plc**

IPRU(INS) 9.34 - DIRECTORS' CERTIFICATE

Financial year ended 31 December 2007

We certify that:

- (a) in our opinion, the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU; and
- (b) we are satisfied that:
 - (i) throughout the financial year in question, the Company has complied in all material respects with the requirements in SYSC and PRIN as well as the provisions of IPRU(INS), GENPRU and INSPRU; and
 - (ii) it is reasonable to believe that the Company has continued to comply subsequently and will continue so to comply in future;
- (c) in our opinion, premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the Company that are available for the purpose, to enable the Company to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;
- (d) the sum of the mathematical reserves as shown in Form 14 constitute proper provision at the end of the financial year in question for the long-term insurance business liabilities (other than liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an actuarial investigation as at that date into the financial condition of the long-term insurance business;
- (e) the with-profits fund has been managed in accordance with the Principles and Practices of Financial Management, as established, maintained and recorded under COBS 20.3;
- (f) the directors have, in preparing the return, taken and paid due regard to:
 - (i) advice in preparing the return from the actuary appointed by the Company to perform the actuarial function in accordance with SUP 4.3.13R; and
 - (ii) advice from the actuary appointed by the Company to perform the with-profits actuary function in accordance with SUP 4.3.16AR;
- (g) in our opinion, the Company was managed in a manner that was consistent with the Scheme approved by the High Court in December 2000 to transfer the business of AXA Equity & Law Life Assurance Society plc to the Company.

Signed on behalf of AXA Sun Life Plc

P. J. Evans	Chief Executive
P. L. H. Maso Y Guell Rivet	Director
A. J. Purvis	Director

28 March 2008

REPORT OF THE AUDITORS TO THE DIRECTORS PURSUANT TO IPRU(INS) RULE 9.35

Global business

Financial year ended 31 December 2007

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

- Forms 2, 3, 11 to 19, 40 to 45, 48, 49, 56, 58 and 60 (including the supplementary notes) (‘the Forms’);
- the statement required by IPRU(INS) rule 9.29 on pages 206 to 207 (‘the Statement’);
- the valuation report required by IPRU(INS) rule 9.31(a) (‘the valuation report’) on pages 166 to 191; and
- the statements, analysis and reports required by IPRU(INS) rule 9.31(b) (‘the realistic valuation report’) on pages 192 to 205.

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

- Forms 46, 47, 50 to 55, 57, 59A and 59B (including the supplementary notes)
- the statements required by IPRU(INS) rules 9.30 and 9.36 on pages 208 and 209;
- the certificate required by IPRU(INS) rule 9.34(1) on page 212 (‘the certificate’); and
- the certificate of the monitoring board of AXA Sun Life Plc on pages 210 to 211.

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 a waiver issued under section 148 of the Financial Services and Markets Act 2000 on 3 December 2007. Under IPRU(INS) rule 9.11 the Forms, the Statement, the valuation report, the realistic valuation report, the forms and statements not examined by us and the certificate are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

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

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

Name of Insurer **AXA Sun Life Plc**

REPORT OF THE AUDITORS TO THE DIRECTORS PURSUANT TO IPRU(INS) RULE 9.35

Global business

Financial year ended 31 December 2007

Basis of opinion

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

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

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

Opinion

In our opinion:

- (a) the Forms, the Statement, the valuation report and the realistic valuation report fairly state the information provided on the basis required by the Rules as modified and have been properly prepared in accordance with the provisions of those Rules; and
- (b) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report and the realistic valuation report prepared in accordance with IPRU(INS) rule 9.31 appropriately reflect the requirements of INSPRU 1.2 and 1.3.

PricewaterhouseCoopers LLP

Registered Auditor

London

28 March 2008