

# Report from the With-Profits Actuary to with-profits policyholders of MGM

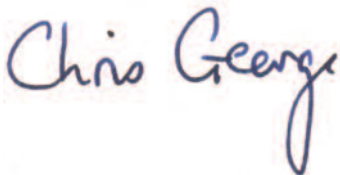
In accordance with rules made by the Financial Service Authority ("FSA"), firms offering with-profits insurance or pension contracts must appoint a With-Profits Actuary to advise on certain aspects of the management of the with-profits business, including on the discretion to be exercised affecting the business.

I have been appointed by MGM to act as With-Profits Actuary and have held this appointment throughout 2008. I am a Fellow of the Institute of Actuaries and an employee of Watson Wyatt Limited, a firm of actuarial consultants. I am not a policyholder of MGM.

MGM must produce an annual report to its with-profits policyholders stating whether the firm believes it has complied with its obligations relating to Principles and Practices of Financial Management and setting out its reasons for that belief. As MGM's With-Profits Actuary I am required, under FSA rule SUP 4.3.16A (4), to add my report to with-profits policyholders on whether MGM has exercised discretion in a reasonable and proportionate manner.

I have been provided with a copy of MGM's report for 2008 for which MGM remains responsible. I have also requested from the firm such information and explanations as I consider reasonably necessary to enable me to perform my duties as the With-Profits Actuary. In providing this report I have based my opinion on this information and have relied on the accuracy and completeness of MGM's report and of the information and explanations provided to me by or on behalf of MGM. I have also taken into account, where relevant, the rules and guidance issued by the FSA on treating with-profits policyholders fairly.

In my opinion MGM's report and the discretion exercised by MGM over 2008 may be regarded as taking, or having taken, the interests of with-profits policyholders into account in a reasonable and proportionate manner.



C M George  
With-Profits Actuary

25 March 2009



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